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17 September 1985

Sub-Saharan Africa Report

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SUB-SAHARAN AFRICA REPORT

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INTER-AFRICAN AFFAIRS

UTA REPORTED TO BE 'IN DIRE STRAITS'

London AFRICA CONFIDENTIAL in English 31 Jul 85 pp 6-7

[Text]

AIRLINES: PER ARDUA AD AFRICAM. Africa's sole multi-national airline, is in dire straits. Most of the company's 10 francophone members, **Benin, Burkina Faso, Chad, Congo-Brazzaville, Ivory Coast, Central African Republic (CAR), Mauritania, Niger, Senegal and Togo**, are well behind in paying their bills, to the anguish of *Union des Transports Aériens (UTA)*, the private French airline with a 28% share.

The atmosphere in company headquarters in Abidjan is morose after a bitter strike which ended with the immediate prospect of salary cuts and redundancies hanging over the head of the airline's 5,500 employees.

After 12 years at the head of *Air Afrique*, Ivorian managing director **Aoussou Koffi** left in June with little favourable publicity. Because he is President **Félix Houphouët-Boigny**'s nephew, there has been little open criticism. Other francophone members want to avoid alienating Ivory Coast, for fear that the country could decide to set up its own national airline. In private, however, Koffi's reign is reviewed with dismay. For example, many free tickets were issued over the past few years and top airline brass received numerous perks. Little effort was made to introduce remedial austerity before the situation reached crisis proportions.

The airline's newly elected supremo, **Axence Ikonga**¹, a crony of Congolese President **Sassou-Nguesso**, has a daunting task to face. For one, an effort must be made to collect member debts, a delicate diplomatic exercise. The main culprits are Chad, CAR and Mauritania, which owe over FF200m. In addition, *Air Afrique* has over FF100m tied up in the non-member states of **Nigeria and Guinea-Conakry**. Transfers from other countries are not rapid either. This means that *Air Afrique*'s debt, compounded by a liquidity shortage, has mushroomed. The airline's debt is estimated at over FF2bn, and the company must make large payments in 1985/86 to cover its debt obligations with western banks. It recently sold a B-747 Jumbo to **South Korea**, but the price did not cover what is still owed to a US bank for the jet's

original purchase. It would be difficult to sell other planes without seriously cutting into its transport capability.

The airline now requires member states to pay cash on issue for their new tickets. This has lead to a decline in business. In addition, the recession bedevilling most francophone African economies has sliced into the lucrative market of executive travellers. Most European business travellers prefer flying UTA, which offers better service. The tourist trade is also lagging.

The immediate headache troubling Ikonga is how to reorganise the company without paralysing operations. It is estimated that some 1,000 employees must be made redundant. Since recruitment has been based on national quotas, it will be necessary to divide the lay-offs between the 10 member states. It remains to be seen if the remaining staff will quietly accept salary cuts reaching as much as 40%, plus an end to non-monetary advantages. Further industrial action cannot be ruled out.

But perhaps the greatest problem facing Ikonga is that financial decisions taken at last March's annual meeting in Lomé are insufficient. In particular, *Air Afrique* is under-capitalised. Increasing the company's capital means that all the member states would have to contribute the same amount. Several states, notably Chad, CAR and Mauritania, are incapable of providing a sou, while a number of others would have great difficulty. To obviate this, *Air Afrique*'s charter would have to be amended. With the present acrimony, such a move is practically impossible. If equity holdings were rejigged², then UTA might even attempt to reduce its participation and a commensurate measure of responsibility.

1. **Cameroon** pulled out in 1971 to establish its own flag carrier, followed by **Gabon** in 1977.
2. Ex-minister of foreign affairs, he last headed the Congolese state oil firm, **Hydro-Congo**.
3. Each African member holds 7.2% of *Air Afrique*'s shares, with UTA leaving the remainder through its subsidiary, **Sodeiraf** ●

CSO: 3400/951

INTLR-AFRICAN AFFAIRS

CILSS REFORM EFFORTS DESCRIBED

London AFRICA CONFIDENTIAL in English 31 Jul 85 p 6

[Text]

**The arid record of development efforts
in the Sahel over the past decade (AC Vol 24 No**

19) makes it increasingly difficult for governments to raise cash for new projects. In order to reverse this trend, several attempts to devise new or revised regional development strategies are underway. Meeting in Nouakchott at the beginning of the year, the Council of Ministers of the Ouagadougou-based *Comité Inter-Etat de Lutte contre la Sécheresse au Sahel (CILSS)*, (Senegal, Mauritania, Mali, Cape Verde, Gambia, Niger, Burkina Faso and Chad,) adopted a "revised" strategy put forward by the Paris-based *Club du Sahel* secretariat. Basically, it proposes a transformation of the entire rural production system, stressing the need of farmers to be responsible for their own development. Couched in ambiguously neutral technocratic jargon, it was applauded by representatives from the Sahel.

But a report which raised more eyebrows in the Mauritanian capital assessed in harsh terms the organisation, management and operations of CILSS and its sister bodies (AC Vol 26 No 8). Written by David Palin, a consultant, the report recommended that CILSS should concentrate its efforts and resources on regional priorities instead of just national interests. The report raised an uproar when it suggested that CILSS should pay more attention to controlling its operating expenses and that it find ways of bolstering flagging confidence in its competence by Sahelian governments and donors. When the Palin report also suggested that CILSS make structural changes to improve internal management procedures and strengthen its strategy development capacity, several of the Sahelian participants walked out, charging that the report was excessively meddling in internal Sahelian politics.

A bottleneck has developed over institutional reform within CILSS, which is headed by Brahim Mahamane of Niger, and has further reduced its credibility, for the eight CILSS members are doing all in their power to prevent new members from joining their organisation. (This would reduce the amount of funds available to each member.) Attempts at membership by Gabon-Bissau have been constantly short-circuited. The unity of purpose within CILSS has suffered as each member has sought to attract donor funds to the detriment of regional schemes, the only ones capable of confronting the Sahara.

CSO: 3400/951

INTER-AFRICAN AFFAIRS

BRIEFS

TANZANIA, ZAMBIA JOIN PTA--Nairobi, 3 Sep--The Chamber of Commerce and Industry of Dar es Salaam and the Lusaka Chamber of Commerce today joined the PTA [Preferential Trade Area] federation of chambers of commerce and industry by signing their memberships. The two joined as associate members and not as full members of the federation, at a ceremony witnessed by the outgoing chairman of the federation, Mr David Fisher, the secretary general, Dr Bax Nomvete and the new chairman, Mr Francis Macharia, at the Kenyatta International Conference Centre. Tanzania is the 15th member to the PTA and to its instruments of accession. [Nairobi KNA in English 1710 GMT 3 Sep 85 EA]

PTA MEMBERS ON LOWER TARIFFS--Nairobi, 3 Sep (KNA/PANA)--Member states of the preferential trade area (PTA), Federation of Chambers of Commerce and Industry began their first meeting at Nairobi's Kenyatta international conference center on Monday where they agreed to lower tariff and non-tariff barriers. The organizations secretary general, Mr Bax Nomvete told the meeting that the measures are aimed at eliminating all trade barriers among PTA member-states by September, 1992. Mr Nomvete explained that by 1992, a common tariff against imports from outside the sub-region will be established. He urged countries that had not published their tariffs to do so by November this year. A call to destroy the sleeping giant myth perpetrated by the developed nations in reference to Africa was made at the meeting by the chairman of the Kenya National Chamber of Commerce and Industry, Mr Francis Macharia. He told the delegates that through PTA and the Economic Commission for West African States (ECOWAS) and others Africa will never sleep again. He said the PTA business community had a big challenge to make the nuts and the bolts of the organization work. [Text] [Dakar PANA in English 1015 GMT 3 Sep 85 EA]

CSO: 3400/1033

ANGOLA

PARTY APPLICANTS APPROVED, EXPANSION CAMPAIGN ASSESSED

Luanda JORNAL DE ANGOLA in Portuguese 16 Jul 85 pp 1, 8

[Text] In an interview with ANGOLA COMBATENTE, the director of the DORGAN [Department of Organization] of the MPLA-Labor Party's Central Committee, Norberto dos Santos, disclosed on Saturday that 10,239 candidates for the party were approved during the first party growth campaign, through the 294 priority cells and work centers.

According to that official, this party growth campaign, carried out in three ways, also allowed for the establishment of 174 cells and the promotion of 2,473 candidates to the status of party members.

The first party growth campaign, which included seminars for training party officials, cadres and members selected to monitor the sensitivity assemblies and other activities associated with growth, was held in various enterprises of the state and private sectors, including those in which there were no established cells, as well.

Norberto dos Santos cited "the need to preserve the worker quality within the party, ensuring that 40 percent of the new members are industrial and agricultural workers and that 10 percent are of the female sex." In addition, that party official emphasized the concern for paying "greater heed to the fundamental sectors of social life, creating party structures in them."

As for the party's growth in the rural area, Norberto dos Santos declared: "The guiding document retains as valid the principles which inspired the party's construction in the rural area during the rectification movement, giving priority to the agricultural workers in the state enterprises and the members of the peasant associations and cooperatives, as well as the former heads or mobilizers of the MPLA Movement's Action Committees or Groups."

That official remarked: "This is also the first time, in connection with the No 9 instructions from the JMPIA [Youth of the Popular Movement for the Liberation of Angola]-Party Youth, that members of the youth organization have become party members" numbering 1,087 persons.

The social and age composition of the new party candidates was also given particular emphasis in the interview with the director of the DORGAN; because

the results currently accrued indicate a considerable number of industrial and agricultural workers, and peasants, in the ranks of the MPLA-Labor Party.

The director of the DORGAN of the party's Central Committee also commented: "Hence, we can conclude that, despite the difficulties confronting the party's rank and file organizations, and provincial committees, particularly the municipal ones, the work accomplished has been constructive, and has made it possible to gain abundant experience in this area."

Thus, as that official said: "We must realize that, since this was the first time that a recruitment of new members has taken place in our party, there were necessarily some shortcomings, prominent among which was the brigade members' failure to totally master the regulations, the slight perseverance in sensitizing the workers and party members and the meager dissemination of propaganda by the mass media."

Also during the interview, Norberto dos Santos announced that, "measures have been adopted to correct these shortcomings," such as "the establishment of brigades consisting of party cadres, leader and members, with a maximum of five members." At the same time, seminars will be held with the individuals mobilized for this task, and all the workers will be sensitized through assemblies held with the cell coordinators.

Moreover, a proposal was also submitted on the attention to be given to the peasants who are not members of the production associations or cooperatives, but who, nevertheless, remain mobilized to perform the tasks outlined both by the party and the state.

The need for selecting a group of from three to five political activists on each provincial executive commission, who would later operate together with the Central Committee's DORGAN, for a more precise monitoring of the party's construction in the rural areas, was another point cited by Norberto dos Santos.

These measures now approved are a result of the second party growth campaign, to be held in honor of the Second Party Congress, and consideration is being given to three different activities to be carried out in the peasant sector, namely, the farmers' affiliation with the production associations or cooperatives, so as to organize in the party those who have qualifications based on the statutory principles.

In conclusion, Norberto dos Santos called upon the party members to "become involved in this major party task, so that the goals established will be attained; because, as the Angolan head of state, Comrade Jose Eduardo dos Santos has said, the party's growth should be aimed at the reinforcement of the party's leading role."

2909

CSO: 3442/381

ANGOLA

HUILA MILITARY COUNCIL CONDEMNS MARKETING IRREGULARITIES

Luanda JORNAL DE ANGOLA in Portuguese 13 Jul 85 p 8

[Text] Lubango--The chairman of the Fifth Region Military Council, Lt Col Rafael Sapalinha Sambalanga, severely criticized some marketing officials from the region who are making goods of prime necessity intended for the population individual items or items only for their acquaintances, to the detriment of the working majority.

The regional military leader cited some products spoiling in warehouses, because of neglect or a spirit of "laissez-faire" on the part of certain officials; seriously warning that, from now on, forceful measures deemed necessary will be taken against all those acting contrary to the instructions from the higher level outlined by the party and the government in the area of marketing.

Rafael Sapalinha Sambalanga spoke at the opening of the first session, concluded in this city yesterday, aimed at analyzing the supply to the population during the first half of this year.

The meeting also discussed the agricultural and industrial products delivered by the respective agencies to the provincial supply commissions, and the provision of dried fish, salt and petroleum to the rural population, based on the foregoing instructions.

The provincial agents from industry, agriculture and home trade, from SONANGOL [National Angolan Fuel Company] and the director of Edimba in Namibe were also apprised of the marketing in the rural areas.

On Union Dues

A seminar on the system for applying controls to union dues, chaired by the member of UNTA's [National Union of Workers of Angola] provincial council in Huila, Jose Tchieki, opened on Thursday in this city.

In his opening speech, Jose Tchieki remarked that the current financial situation of UNTA and the unions requires effective control of union dues, as a certain guarantee of the labor movement's income. On this occasion, he called

upon workers and operators, peasants and intellectuals to pay their monthly dues, through the method adopted.

Members of the union commissions of all the enterprises located in the province participated in the aforementioned seminar, the closing of which is set for Saturday.

2909

CSO: 3442/381

ANGOLA

NEW MILITARY CADRES GRADUATE FROM HUAMBO ACADEMY

Luanda JORNAL DE ANGOLA in Portuguese 10 Jul 85 p 8

[Text] Huambo--Nearly 340 students have successfully completed the 1984-85 school year at the Hoji Henda Military Academy in this city.

That educational establishment, intended to train future military cadres, starting on the first level, as well as to provide instruction in the subjects of the educational curriculum, offers training in military skills.

During the school year now ended, the attendance of a large percentage of students in various courses has been noteworthy.

At the closing ceremony, which took place last Saturday at that military training establishment, Lt Col Joao Ernesto dos Santos, chairman of the Fourth Regional Military Council, who officiated, praised the student's involvement in their studies, announcing on that occasion that some of the crew members of the Helicopter Air Regiment in this region attended that pre-academy.

The high-ranking official from Huambo Province devoted much of his speech to matters relating to the work that the Hoji Ya Henda Military Academy has accomplished in the multifaceted training of Angolan children.

During the function, several messages, including those from the JMPLA [Youth of the Popular Movement for the Liberation of Angola]- Party Youth and the OMA [Organization of Angolan Women] were read, expressing votes of confidence in the success that has been attained by the future perpetuators of the revolution.

Moreover, the Nicolau Gomes Spencer Officers School, also in this city, trained nearly 6,000 officers during the 9 years of its existence, as was announced at the closing ceremony for another course by Capt Severino Pereira de Lemos, political commissar of that military establishment.

As he noted in his address, the group of officers trained at that school have distinguished themselves in their tasks, in various military brigades, companies and units.

Commenting on the 14th retraining course now ended, that officer declared that this achievement constitutes a resounding victory for the Angolan people; because it has afforded a considerable heightening of the FAPLA's combat readiness.

ANGOLA

TROOP SERVICES EIGHTH ANNIVERSARY CELEBRATED

Luanda JORNAL DE ANGOLA in Portuguese 10 Jul 85 p 3

[Text] The eighth anniversary of the founding of the Troop Services was celebrated yesterday at the facilities of the military headquarters of the first rank in that branch, with recreational, politico-cultural and sports activities, at a ceremony headed by the chief of the tank and transportation administration of the FAPLA Staff, Lt Col Filipe Filberto "Monimambu."

Speaking on behalf of the defense minister, Monimambu stressed the importance of the institution in maintaining discipline and order within the FAPLA, as well as its role in the correction of violators of the military laws and in combating criminal activity; then citing the essential need for politico-military training of officers and soldiers, as well as the introduction of new work methods, aimed at improving the troops' quality and their operational and combat standing.

Lt Col Monimambu recommended the encouragement of exchanges of views and cooperation among the Troop Services and other military and paramilitary organizations involved in this process; for the purpose of preserving not only discipline but also good relations between the FAPLA and the people, in addition to the observation of inviolable regulations of a people's army that is not feared by the people, but rather esteemed and respected.

The presumptuousness and other attitudes of certain members of the military and civilians filled with vanity over their positions, and the disrespect for the principles of order and rules of behavior that have been preestablished, were targets of severe criticism from the speaker, who suggested for this purpose the adoption of stringent measures to put an end to the situation.

Moreover, that official encouraged the Troop Services administration to set up a plan of action to combat fireworks and nighttime shooting in the capital, with serious consequences for the populace.

The creation of enclosures and compulsory enclosure of military vehicles was another measure suggested by Lt Col Monimambu, for the purpose of economizing on the spending of funds and reducing accidents.

Also speaking at this ceremony was Lt Col Manuel Joao Adao Neto "Nerhu," who praised the dedication and degree of discipline shown by the troops.

At the conclusion of the politico-military activities, the entourage headed by Lt Col Monimambu witnessed the marching of troops in a parade, later visiting the facilities of that unit.

ANGOLA

WEAPONS SPECIALIST COURSE OPENS IN LUANDA

Luanda JORNAL DE ANGOLA in Portuguese 13 Jul 85 p 3

[Text] Last Saturday, the 14th course for junior weapon specialists opened at the Comandante Valodia School in Luanda, at a ceremony chaired by Capt Antonio Gamboa dos Passos, chief of the Weapons Directorate of the FAPLA's EMG [General Staff], accompanied by Major Maiunga, Captain Malogrado, officials from the school and guests.

The new combatants, who will henceforth specialize in weapons techniques, had a period of basic military combat training which provided them with general knowledge of military skills, qualifying them to attend the course.

The highpoint was marked by the oath of allegiance to the flag given by the future specialists, who pledged to close ranks around the MPLA-Labor Party and Comrade President Jose Eduardo dos Santos, commander in chief of the FAPLA.

Some of the specialists were given the rank of sergeant, and others were promoted to higher ranks.

The school's director, Capt Joao Ganda Neto, "Malogrado," in turn, commenting on the opening of another course, stressed that the new combatants "sensed and understood that the fatherland of Agostinho Neto was threatened, and with pride and love knew how to respond to the summons of the party and government, fulfilling the difficult but honorable obligation of defending the fatherland."

Subsequently, Capt Ganda Neto noted that for the classes in basic military combat training, as well as those for the course, the school has an administrative and teaching group capable of responding to the higher requirements that have been devised.

He said: "The teaching staff consists of young Angolans with long experience in the administration of courses, who have gradually achieved great success in carrying out the program for the training of direct aides for the officers in the weapons service," as that military leader stated in conclusion.

The function was brought to a close by Capt Antonio Gamboa dos Passos, assistant chief of the Weapons Directorate of the FAPLA's EMG, who, at one point in his

address, commented: "The glorious FAPLA will have another contingent of basically trained combatants to fulfill their military obligation in the difficult situations involved in combating our revolution's internal and external enemies."

He continued: "So, we can assert that the Armed Forces feel stronger and more confident in the victory of the just battle that our people are waging on behalf of progress and socialism in the fatherland of Agostinho Neto."

In conclusion, he wished the new combatants success in the future tasks involved in the training process.

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ANGOLA

KUNDI PAYAMA CRITICIZES MUNICIPAL, COMMUNAL COMMISSIONERS

Luanda JORNAL DE ANGOLA in Portuguese 14 Jun 85 p 3

[Text] Benguela—Since yesterday morning, the municipal, communal, and deputy commissioners of Benguela Province have been meeting in this city under the chairmanship of Provincial Commissioner Kundi Payama to analyze certain aspects of the province's socioeconomic and political life.

The participants are going to analyze the degree to which the decisions of the previous meeting have been carried out, the synthesis report on activities by the municipal commissioners during the first quarter, and the report on the current agricultural situation in the province.

Information on the current functioning of the Ministry of Home Trade's structures in the various municipalities and developments in the region's political and military situation are other topics to be discussed at the meeting.

Kundi Payama sharply criticized some municipal and communal commissioners whose conduct in carrying out the responsibilities entrusted to them has recently been negative.

In that connection, the provincial commissioner announced that there would soon be a governmental reorganization at the level of municipal commissioners and that some of them would be dismissed.

In the course of his speech, he pointed out that poor performance by a number of municipal and communal commissioners has often contributed to a condition of relative disorganization and that the situation has had the effect of halting a number of advances in certain areas of the region's socioeconomic and political life.

Visit by Minister of Home Trade

During his working visit lasting a few days, Minister of Home Trade Adriano dos Santos, Jr. met on Wednesday with officials responsible for the census of consumers and for implementation of the new supply system in the province.

On that same day, Adriano dos Santos, Jr. visited the EREBIND facilities and the stores for supplying the inhabitants, where he noted their high degree of organization as well as the difficulties related to the lack of scales and the limited capacity of the goods warehouses.

The minister also paid particular attention to the current state of operations at ETRACI (Home Trade Transportation Company) and to its fleet of vehicles.

Adriano dos Santos, Jr., who has been on a working visit to Benguela Province since last weekend, planned to return to the country's capital yesterday.

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ANGOLA

ACTIVITIES OF VIGILANCE BRIGADES IN UIJE RECOUNTED

Luanda JORNAL DE ANGOLA in Portuguese 14 Jun 85 p 3

[Text] Uije—Over 1,000 People's Vigilance Brigades [BPV's] with about 78,000 members of both sexes have been established in Uije Province, according to an activity report by the Provincial Directorate of BPV's.

The document, which covers the first 6 months of this year, emphasizes that despite everything, brigade members in that province have managed to achieve remarkable successes, notably the capture of 257 individuals whose number included saboteurs and other types of offenders.

To increase the awareness of the inhabitants, the People's Vigilance Brigades in Uije have been doing work of a politicoideological nature among workers--factory workers and workers in general--by holding consciousness-raising meetings, assemblies, and study circles.

The report says that during the second half of this year, each brigade will be provided with a health activist and a group of from 5 to 15 members to take charge of cleanup campaigns as well as campaigns for voluntary blood donations and the control of contagious diseases.

Meeting

Meanwhile, it was noted at the third provincial meeting of People's Vigilance Brigades in Uije, which was held recently in the municipality of Dange-Kitexe, that the decisions reached at the previous meeting had not been carried out, and greater dynamism in the municipal sectors was recommended.

In the course of the work, which was done under the guidance of Pedro Luvunga, the provincial coordinator, the participants amended and then approved the report by the Executive Committee of Vigilance Brigades and the activity plan for the second half of this year.

Considering ideological work to be a course of action helping to incorporate the people's masses into the BPV's, the participants in the meeting called for an increase in the work of vigilance in all sectors with a view to detecting those who sabotage the people's property and the economic centers.

It was also recommended at the meeting that the municipal sectors train activists in the fields of health, information, propaganda, and supply.

The participants also held two talks on the subjects of "the leading role of the party in the BPV's, defense, citizens' rights, social property, the most frequent crimes in society, and the punishment for those crimes."

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ANGOLA

WORK OF GDR'S ROBOTRON IN NATION DESCRIBED

Luanda JORNAL DE ANGOLA in Portuguese 13 Jul 85 p 3

[Text] The German Democratic Republic is one of the socialist countries that has already attained considerable progress in the field of data processing systems, ranking among the largest producers worldwide.

This sound conclusion was clearly attested to at a meeting that we held recently with the chief of the ROBOTRON commercial bureau in Luanda, engineer Gerhard Wick, whose main factories for large and medium computers have made an inestimable contribution to the training of many Angolan cadres, particularly the students taking intermediate courses at the Karl Marx Institute in the nation's capital.

With slightly over 70,000 workers, this company exports its products to nearly 60 countries in various parts of the world, based on their requirements and orders. The different types of computers manufactured by ROBOTRON have various applications, and can be used in the areas of planning, management, accounting and solving other socioeconomic problems; and there is also the guarantee that its clients can rely on optimal technical and material assistance, in addition to the fact that the training of necessary cadres for complete operation of the equipment is assured.

For each area of activity, such as programming, operation and technical assistance, the company in question has already covered a priority field with certain Angolan public institutions and agencies, primarily MINCEX [Ministry of Foreign Trade], MAQUIMPORT [Machinery Import Enterprise], JORNAL DE ANGOLA, RNA [Angolan National Radio], ENAT [National Television Enterprise] and others. The cooperation with those agencies has been carried out in a productive, harmonious manner, the main goal being to prepare the Angolans who are now attending the training centers located in Luanda. In this way, ROBOTRON, as an integral part of the GDR's Embassy in Angola, has contributed to the materialization of the agreements signed between the two governments in the area of cadre training.

Since the company also manufactures typewriters, it has already trained some Angolan technicians who are qualified to render technical assistance to the aforementioned machines. Although it is a new company on the Angolan market

in the special field, the contacts that it maintains with many Angolan enterprises afford great prospects for further cooperation, which has prompted its directors to consider expanding the areas of activity that it currently has; and there is even the notion of setting up more commercial agencies in the country's other provinces, with priority given to Cabinda, Uige, Benguela, Malanje and Huila.

Meanwhile, the cooperation that exists with the Karl Marx Institute in Luanda may, in the near future, experience greater intensity, if the plan to set up a small mini-computer center should materialize; for it would contribute greatly to minimizing the difficulties that its students are having in combining theory with practice. No agreement has yet been made in this regard, and everything that could be done requires approval on a higher level.

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CSO: 3442/380

ANGOLA

ENATEL'S PRODUCTION, SIGNIFICANCE EXAMINED

Luanda JORNAL DE ANGOLA in Portuguese 16 Jul 85 p 3

[Text] Rrrriiiinnng...No answer. We try again. And after a great many tries, one hears a voice at the other end, sometimes gentle, sometimes annoyed. "Is this 109?" "Yes." "Please, I want to place a call to...." And the conversation continues. "The Luanda number, please." The number in Lisbon, Rome or Moscow (depending on the subscriber's needs) where the call is being placed, and the person to whom one wishes to speak. It is set for 1200 hours; and we wait. It becomes 1200, 1300, 1330, 1700 hours, etc. And the call is still delayed. Now we contact complaints (105) and this is what happens. The telephone rings incessantly, and nothing happens. Once again the call and the matter to be discussed, which is sometimes important, are a failure.

Telecommunications play a preeminent role in any society. In the concrete instance of the People's Republic of Angola, communications, whether telephone or telex, assume a very great significance, not only for development, but also in the social area and for the defense and security of the national territory.

It is never superfluous to stress that communications constitute a factor for integration, bringing regions closer together and facilitating the management of businesses and services; and they can contribute to a reduction in the movement of individuals and, consequently, in that of transportation facilities.

The general director of ENATEL (National Telecommunications Enterprise), which has approximately 1,800 workers, half of whom work in the nation's capital, in a recent interview with JORNAL DE ANGOLA, remarked: "The public only realizes the importance of communications when they fail."

An Urban Telephone Line Costs \$1,600

The telecommunications sector depends essentially on imports of equipment and services. The investments in this area are extremely large. According to the enterprise's general director, Jose de Matos, an urban telephone line costs an average of \$1,600. Jose de Matos also said: "This means that, over the short and medium term, it is impossible to fill all the requests made for telephones."

Also according to ENATEL's general director, meeting the requests for telephones and other services is contingent primarily on the defense and security needs, those of the economy and those of the management of the party and state.

ENATEL and the Contracts

The development of the telecommunications network must respond to the need for ensuring balance in the activities carried out in all the provinces and balance in the activities in cities and on the inter-provincial level. It is in this area that ENATEL has activity scheduled for Luanda, aimed at improving the city's cable network. JORNAL DE ANGOLA is in a position to report that, for some time, ENATEL has had a contract signed with a Brazilian company to renovate 30 percent of the capital's cable network, which is due to start during the fourth quarter of this year. ENATEL also has contracts being executed for the overhauling of the Luanda telephone exchanges, and for the installation of an interurban traffic exchange in this city.

Plans for the Interior

In connection with the program to develop and expand the rendering of services in the entire national territory, based on the instructions from the First Party Congress for the telecommunications sector, ENATEL has been engaged in a series of activities which, despite all the difficulties and unexpected natural events, can be considered satisfactory. At the present time, the enterprise is installing the telephone exchange in the city of Malange. The automatic telephone exchange for N'Dalatando is under construction; while the Lobito and Benguela telephone exchanges are being expanded.

ENATEL also intends to equip some provincial capitals with automatic telephone exchanges. Jose de Matos remarked: "All these activities are a part of a development plan established on the basis of the instructions from the First Party Congress." And he added: "The materialization of all the activities scheduled by the enterprise will lead to the fulfillment of the goal set by the party congress, to completely automatize the telephone communications between all the provincial capitals; hence we hope that it will be totally accomplished during 1987."

Quality of Telephone Service Is Poor

There have been many complaints and criticism of the work done by the telephone services, primarily in the nation's capital. ENATEL's general director agrees with us, and even admits that "the quality of the telephone service in Luanda is poor." Two major factors have contributed to this situation, namely, the shortage of human and material resources, because it must be realized that, even in an essentially technical enterprise, the human factor is the most important. In this instance, according to its general director, ENATEL has not made the necessary investments in personnel.

In an enterprise such as ENATEL, the question of supplies and medical assistance combined with medicines, compounded by the wage problem, constitute the "Achilles heel." If these problems were not happening in ENATEL, they might be considered something from another world. These listed situations have contributed to the fluctuation in the work force and the non-stabilization of some competent cadres and specialists.

International Traffic Increased Nearly 50 Percent

According to well-informed sources, ENATEL is covering 50 percent more of the international traffic than last year. Nevertheless, according to Jose de Matos, ENATEL has not managed to meet the requests of the agencies in this area because of lack of services and equipment. This comment was made by ENATEL's general director: "One need only say that we are now handling 10 times more traffic than in 1975, with virtually the same equipment." Jose de Matos thinks that this situation stems from the facilities for payment that both Angolan citizens and foreigners are currently benefiting from. JORNAL DE ANGOLA is also in a position to report that ENATEL has already initiated the collection from foreign business firms and agencies in foreign currency; something that it would like to apply to all foreign citizens. This measure will help greatly to curb the situation and reduce ENATEL's deficit in the balance of payments on traffic directed abroad. We hope that this measure will actually materialize within a short time.

In the Next 5 Years Angola Will have Automatic Connections Abroad

ENATEL has scheduled the creation of technical conditions for automatic connections with foreign countries, something currently being studied.

According to the enterprise's general director, this could occur during the next 5 years, the access to automatic international service being contingent on factors of a financial type.

Insofar as the domestic service is concerned, the provinces are nearly all interconnected, with the exception of N'Giva, for reasons widely known. The installation of the traffic exchanges already contracted for will make it possible for the goal of automatizing the interurban service to be attained soon. The provinces which already have automatic service, but limited because of the lack of the aforementioned exchanges, are : Namibe, Huambo, Uije, Cabinda, Benguela and the city of Lobito.

ENATEL Plans Improvements in Facilities at 4 de Fevereiro Airport

As part of the policy to improve the services rendered and increasingly satisfy the passengers traveling to the nation's capital, ENATEL has established a plan to improve its facilities at the 4 de Fevereiro international airport.

This plan includes the installation of a new telephone cable that will enable passengers arriving from the interior or from abroad to contact their closest relatives or friends, having them come to meet them at the airport. We are certain that this measure will be well received by the population. Now, the speculating taxi drivers will see! Their fares at the 4 de Fevereiro international airport will surely be in trouble.

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ANGOLA

BRAZILIAN NEWSPAPER QUOTED ON COOPERATION

Luanda JORNAL DE ANGOLA in Portuguese 13 Jul 85 p 3

[Text] Rio--The recent signing of an agreement on scientific and technical cooperation between Brazil and Angola was cited enthusiastically by JORNAL DE BRASILIA in one of its recent issues.

The aforementioned newspaper stressed that the agreement is of "great importance" to the future of the cooperation between Brazil and the African continent.

It added that the bonds existing between the Angolan and Brazilian people are "deep." As the newspaper acknowledges, the Angolans had a major role in the formation of the Brazilian people and the establishment of Brazilian culture.

In addition to these cultural and historical reasons, JORNAL DE BRASILIA also mentioned the economic factors which it claims bring Brazil close to Angola. The paper writes: "This country is among those with the greatest potential for development in all of Africa. It has an extensive territory and virtually inexhaustible resources; and, like us, it is a part of the Third World."

According to the Brazilian newspaper, "Scientific and technical cooperation will be another tie to bind us."

The Brazilian-Angolan agreement on scientific and technical cooperation was signed at the beginning of the month in Brasilia, by the general secretary of the Brazilian Ministry of Education, Everaldo Maciel, and the rector of the University of Angola, Joao Filipe Martins.

According to the agreement, the Universities of Brasilia, Minas Gerais, Rio de Janeiro and Paraiba will take in Angolan graduate students. Delegations will also be exchanged between the two countries, to participate in joint research programs in fields of mutual interest.

Moreover, during the recent stay of the rector of the University of Angola in Brazil, according to the local press an agreement was also signed between the Brazilian foundation for educational television and that university.

This second agreement calls for the sale of Brazilian educational television programs, at the price of materials and production, already prepared. It also specifies the arrival of Angolan professionals for stays as interns.

ANGOLA

TGFA YOUTH COORDINATORS MEET AT NATIONAL LEVEL

Luanda JORNAL DE ANGOLA in Portuguese 24 Jul 85 p 3

[Text] The first national meeting of cell coordinators from the JMPLA [Youth of the Popular Movement for the Liberation of Angola]-Party Youth in the TGFA [Angolan Border Guard Troops] opened in Luanda yesterday, in the conference room of the FAPA/DAA's [People's Air Force of Angola/Air Defense], with a ceremony at which Capt Joao Tuta, chief of the political section for the defense and security organs of the party's provincial committee in Luanda, officiated.

Joao Tuta, who was accompanied by Capts Manuel Lopes (Kibi) and Tito Macuna, chief of the TGFA political directorate and political commissar of the Air Regiment, respectively, remarked in the opening address that, "The efficient operation of rank and file organizations depends basically on the action of the members comprising them; in other words, on the alertness, dynamism and conscious participation in the performance of the tasks indicated by the party and the JMPLA-Party Youth."

The repeal of the Clark Amendment by the U.S. House of Representatives, which had been intended to overtly grant financial aid to UNITA's puppet gangs so as to destabilize the political authority in Angola, and the participation by the TGFA combatants, organized in the JMPLA-JP, in the activities associated with the holding of the Ministerial Conference of Non-Aligned Nations, which will take place in Luanda from 2 to 7 September of this year, were also topics discussed by that senior official of our Armed Forces.

The meeting, the fundamental purpose of which was to assess the degree of implementation of the instructions and regulations to be observed during the growth period of the JMPLA-JP, and to intensify the cells' action to improve combat, operational and disciplinary training, will last until after tomorrow. Participating in its, besides the cell coordinators, are representatives of the JMPLA-JP provincial secretariat and regional party chiefs.

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ANGOLA

LUPRAL ENTERPRISE STUDIES INVESTMENT PLANS

Luanda JORNAL DE ANGOLA in Portuguese 11 Jul 85 p 3

[Text] Benguela--The LUPRAL (Lusalite and Provident of Angola, Limited Liability Company) enterprise, engaged in the production of items of the fiber cement and metal type, aware of the major importance of its activity, and of the role incumbent on it in the present economic situation, has been studying and implementing an overall investment plan involving approximately 70 million kwanzas, as that enterprise's director, Victor Farrajota, told ANGOP [Angolan Press Agency].

According to that official, the aforementioned investment plan that is under way is aimed essentially at achieving an increase in the firm's production capacity as well as an improvement in working conditions, with the resultant heightening of productivity.

Thus, some of the main manufacturing lines will be revamped and renovated, specifically, hoes, in the ironwork department, in which axes, small hoes, mattocks and rakes will also be manufactured soon, thereby completing the manufacture of the range of manual farming equipment.

Another major goal to be fulfillment is associated with the mechanization and automatization of the preparation of the base (cement and asbestos) for the manufacture of fiber cement sheets. Engineer Victor Farrajota made a point of mentioning that, in addition to these two major objectives which will take up the largest amounts of funds for this important investment, there are also specific activities aimed at raising the output and efficiency of the enterprise's production sector. There are also plans to remodel and mechanize the welding sector, which will begin the a study on the manufacture of household irons, with a total of 100,000 units per year.

Starting of New Lines

LUPRAL is an economic unit which, owing to its importance in the nation's industrial context, has been identified as a "priority enterprise," with a corporate headquarters and industrial park in the city of Benguela, occupying about 60,000 square meters of land and over 20,000 square meters of covered area, with a tradition of 35 years in this branch of industry, and sponsored

by the Ministry of Construction. This enterprise has been expanding and diversifying its already vast and varied range of production in a constant, steady fashion

During the past 2 years, LUPRAL has started four additional manufacturing lines, namely, bottle carrying and storage carts, zinc and plastic plated rings for clips to attach roofing, as well as SAFIM plow tips, the latter item having been imported up until then.

Meanwhile, this year it also began new types of manufactures, this time in the area of chains for plows, with a new type of oil and elastic mesh netting suitable for various kinds of fencing.

The director of LUPRAL, a firm with agencies in the cities of Huambo and Luanda, also told ANGOP that, in view of the large production capacity that the enterprise has, and because the general restoration of electric power that recently occurred has made it possible to remove a group of factors for stoppage, it may be possible to fulfill completely the production plans stipulated for this year.

For example, in the area of fiber cement, LUPRAL will have to produce nearly 6,950 cubic meters of sheets, 740 of piping and 700 of casts. In the metal area, the production of nails will amount to approximately 800,000 kilograms; that of welds, 360,000; in the chain sector, 40,000; and in the steel area, 10,000 kilograms, by the end of this year.

Good Production Prospects for 1985

Also in this respect, the production of screws and hexagonal nuts may stand at nearly 120,000 and 10,000, respectively, by the year's end. Meanwhile, 150,000 units of hoes, 10,000 of plows, 5,000 of hand carts and 50,000 of spade tips may also be produced during 1985.

During the first half of this year, according to the director, 1,900 meters of sheets, 180 of piping and 350 of casts are guaranteed; this being in the fiber cement sector. According to that director, in the metal sector, by the year's end, his enterprise will have produced 450,000 kilograms of various nails, 190,000 of casts, 27,000 of chains and 6,000 of balls for ball and socket joints.

Also during this period of the year, LUPRAL expects to produce 65,000 screws, 85,000 units of hoes, 1,000 of plows, 4,750 of hand carts, 22,800 of tips for SAFIM plows, 8,000 of spade tips and 14,000 square meters of elastic netting.

Electric Power Problem Surmounted

During the interview LUPRAL's director announced that from now on his enterprise will be able to keep all its industrial equipment in operation, thanks to the entry into service at the beginning of April of this year, of the diesel generator set with a rated power of 1,076 Kva.

However, he claimed that there are still some difficulties associated with supplies of raw materials on a regular basis and the volumes for the fiber cement sector, in which the main components of the final product are cement and asbestos.

Meanwhile, in the metal products sector, the production does not currently have conditions usually created by a lack of raw materials, and satisfactory production levels have been attained regularly.

LUPRAL has its own facilities capable of ensuring effective preservation of its industrial equipment. Nevertheless, some problems are being experienced in the purchase of spare parts, accessories and material for general use, usually found in the specialized establishments existing on the market, in the local market.

On the other hand, Victor Farajota stated that, although the shortage of specialized personnel is being felt in all sectors of his enterprise, it is, nevertheless, in the industrial maintenance area that the lack thereof has caused the most upsets to the satisfactory progress of production.

That official stressed: "LUPRAL has made all the efforts within its power to minimize this problem. However, to accrue results in solving it over the medium term, it will certainly have to consider the need for recruiting the best students who have completed courses given by the technical schools or institutions existing in the country."

Workers Benefit From Good Conditions

LUPRAL employs a total of 630 workers, 30 of whom are foreigners, indicating with gratification the existence of a disciplined, harmonious work environment, in which the employees as a whole have devoted their best efforts to performing the respective tasks; a situation which has greatly contributed to, and influenced the results that the enterprise has accrued.

In the social area, the enterprise has its own cafeteria, equipped with a refrigeration system, where meals are prepared and served every day to the workers (snacks and lunch). The workers on the night shift are served a supper.

The director remarked: "Although it is with an effort, those responsible for the cafeteria maintain a certain level of quality in the meals; because there are several problems facing them in connection with supplies of food products and provisions."

The LUPRAL employees also have a medical station in the enterprise, suitably supplied, with good operating conditions, where medical treatment is ensured by two male nurses working fulltime and a female physician who has office hours twice a week.

A consumer cooperative serves the enterprise's personnel and, adopting fair distribution policies, has contributed to the solution of some of the supply

requirements in a manner that is satisfactory and acceptable to the majority. Also according to Victor Farrajota, the creation of the cooperative made it possible for the absentee level to drop significantly, and there is currently an attendance rate of about 88 percent.

Engineer Victor Farrajota also remarked that, in the realm of raising the workers' cultural and technical standing, there are at present nearly 60 workers attending literacy courses internally. Moreover, in the specific area of occupational training, the latter is provided by the production unit itself, by means of foreign cadres, but most particularly through the annual sending of Angolan cadres to foreign specialized enterprises.

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ANGOLA

HUAMBO AIRPORT RECEIVES FACELIFT

Luanda JORNAL DE ANGOLA in Portuguese 13 Jun 85 p 3

[Text] Huambo--This city's Albano Machado Airport has been showing a new face in recent days as a result of work started by Massueme Pelenda, director of the National Airport and Air Navigation Operations Company [ENANA] in Huambo.

As can be seen, innumerable repair, painting, and other projects are underway as part of that project at the airport, the purpose being not only to create excellent conditions for the passengers who depart every day on TAAG [Angolan Airlines] flights, but also to provide better air navigation assistance for all kinds of aircraft.

Of the airdromes our country possesses, there is not a shadow of a doubt that the Albano Machado Airport stands out conspicuously, basically as a result of the operational efficiency of the organizations located there, notably the Directorate of Emigration and Border Posts, the EMPROTEL restaurant, which provides two meals a day (breakfast and lunch), the EDIL, INAMET (National Institute of Meteorology), the Fire Prevention and Extinction Service, SONANGOL [National Angolan Fuel Company], and others.

We were informed by Massueme Pelenda that the Albano Machado Airport currently handles about 1,020 domestic flights per month, or 40 per day.

To carry out its innumerable activities, the airport employs 34 workers: 14 technicians, 5 laborers, and 15 administrative and service employees.

As far as the training of cadres is concerned, ENANA-Huambo currently has three candidates attending the air traffic control course at the aeronautical center in Luanda.

The director of ENANA, Massueme Pelenda, told us that his long-term projects call for expanding the airport's facilities and salvaging miscellaneous air navigation equipment.

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ANGOLA

ROBERTO DE ALMEIDA SPEAKS AT INTERNATIONAL COOPERATION SEMINAR

Luanda JORNAL DE ANGOLA in Portuguese 13 Jul 85 pp 1, 12

[Text] The National Seminar on International Cooperation, which opened on 8 July, came to a close yesterday at the Oncology Center in Luanda, at a ceremony headed by Roberto de Almeida, alternate member of the Politbureau and secretary of the party's Central Committee [CC] for the ideological area.

Present at the event were the CC secretary for the economic and social area, Maria Mambo Cafe; the provincial commissar of Luanda, Mariano Puku; the state secretary for cooperation, Carlos Fernandes; and the director of the CC's Department of Economic and Social Policy, Joana Baptista.

Other party and state officials, directors of party departments, provincial delegates and chiefs of cooperation departments, as well as representatives from the United Nations agencies, were also in attendance at the ceremony.

In commenting on the event, the CC secretary for the ideological area, Roberto de Almeida, claimed that the slogan chosen for the seminar "suggests the abundant content and discerning analysis of the role of cooperation in the broad sense"; because it shows that the national economy has been affected by the world crisis and by underdevelopment and the imperialist war of aggression waged against our country.

That leader expressed certainty that at the seminar great heed was paid to the instructions from the party and the People's Assembly, relating to cooperation, and that an evaluation was made of the fulfillment of those instructions, in addition to a study of the necessary methods for their fulfillment. He also said that, similarly, the discussion of the points contained in the work agenda was undertaken with great realism.

Roberto de Almeida, who reminded those present of the damaging action of the war, looting and destruction that have taken place since the proclamation of our independence, declared that, for this reason, it is our interests, and the fundamental political and ideological principles that must guide our activity in the area of cooperation, during a phase of reciprocal benefits.

The head of the ideological area in the party's Central Committee also called attention to the imperialist maneuvers which, concealed by acts ostensibly

devoid of any other goal, constantly attempt to gain increasingly larger profits and the perpetuation of dependence on the mechanisms of the international system for domination and exploitation.

Quoting an excerpt from the speech by Comrade President Jose Eduardo dos Santos, in his remarks on the occasion of the eighth anniversary of our independence, in Bengo Province, that leader reaffirmed our nation's desire to consolidate the economic relations with nations having our ideological option, without giving up cooperation with the Western countries.

The National Seminar on International Cooperation took place in two essential parts: the first, informative, during which lectures were given on several important topics in the area of cooperation; and the second, carried out in working commissions, which discussed in similar fashion issues inherent in the same area.

For example, the seminar approved major conclusions which stipulate that, by the end of this year, there is to be an in-depth study of the problems involved in technical assistance, with a view toward regulating its rational use, and that the principle of autonomous existence for the organs of international exchange and cooperation in all agencies of sectorial administration is to be approved.

Similarly, it specifies that a draft decree is to be prepared and submitted to the Council of Ministers, that will define the general powers common to the organs of international exchange and cooperation, aimed at reinforcing, from the standpoint of structure, organization, administration and human and material resources, the present offices for international exchange; taking into account the present requirements of the programming, monitoring and control of the cooperative activities.

In addition, it calls for the submission, for approval on a higher level, of the regulations for the mixed commissions and subcommissions, meetings with UN agencies and institutions, and participation in international conferences on cooperation; for the sake of better preparation and participation by the country in the international meetings and contacts, as part of the execution of the policy decided by the party in the realm of international economic relations.

It also stipulates that there be approval of the statutes on foreign resident cooperant workers and that, in view of the difficult financial situation that the country is undergoing, foreign aid should be the object of a plan to control its use; requiring, in addition, that the models most necessary for the flow of information from the national agencies to the State Secretariat for Cooperation be selected and integrated into the "Handbook on Cooperation."

The seminar participants also passed motions in support of the party's CC and Comrade President Jose Eduardo dos Santos, for the clear-sighted manner in which he has directed the nation's destiny; and rejoiced over the holding of the party's Second Congress this year, and the marking of the 10th anniversary of our national independence.

They likewise repudiated the attacks waged upon us by international imperialism, and expressed solidarity with the struggle of all the oppressed peoples of the world, as well as appreciation to all those who worked to make the seminar a success.

The closing session was also marked by a storming of a group of children from our children's organization, OPA [Organization of Angolan Pioneers], which hailed the seminar participants with the reading of a message and the singing of popular songs.

2909

CSO: 3442/381

ANGOLA

PETROMAR'S CONSTRUCTION PROJECTS ASSESSED

Luanda JORNAL DE ANGOLA in Portuguese 24 Jul 85 p 3

[Text] With an annual capacity for producing platforms used for drilling and extraction in our country's various oilfields, PETROMAR, a mixed enterprise comprised of capital from SONANGOL [National Angolan Fuel Company] and Bouges Offshore, of France, is located in the municipality of Ambriz, Bengo Province.

PETROMAR's dockyards, the construction of which cost nearly \$16 million, with 90 percent of the capital provided by Bouges Offshore and 10 percent by SONANGOL, has several work divisions, namely, for cutting, assembly, welding, etc., and has a work force consisting of 180 Angolans (skilled and non-skilled), 85 Filipinos, 74 French and only 43 Portuguese.

In addition to manufacturing platforms, PETROMAR has an area of activity also associated with the study of prefabrication and construction of heavy equipment, such as land and sea pipelines, ports and terminals, breakwaters, refineries, pumping stations and other infrastructural and superstructural equipment related to the oil industry, as well as other types of metal structures, such as waste containers, etc.

Accomplishments Since Its Establishment

Created a year ago, PETROMAR has already delivered its first platform, which was delivered on 1 June to a prospect in Cabinda.

Two more are currently under construction, one valued at \$60,000, called GSM, which will be delivered to a field operated by the Cabinda Gulf Oil Company; and another, larger size, valued at \$3 million, which will be sent to the Passe field, operated by ELF Aquitaine. As we were told by one of the company's officials, the latter will be completed by 15 August. This is the largest platform to date in the entire Gulf of Guinea.

Advantages of the Installation of the Dockyard and Certain Projects

According to the basic principle instructed by our party and government, wherever the oil industry is developed, it must contribute to the socioeconomic development of the area in which it is established.

It is on this basis that, according to the agreement existing between SONANGOL and Bouges Offshore, 0.5 percent is incumbent on the municipality, representing 2 million French francs, to be invested in its development.

From this investment, the municipality's population has benefited from drinking water, with the installation of a new motor in the old water impounding station and sophisticated equipment at the treatment plant. An investment was also made in the municipality's electric power plant, with the installation of two generator sets, one of 268 KW and another of 400 KW, the latter of which has not yet been put into operation for lack of certain materials.

Also noteworthy is the project to construct an automobile road which will connect the municipality with Zaire Province, to facilitate the travel, contact and marketing between the two.

At present a bridge is being built over the Loge River, 100 meters long and 9.2 meters wide, on which the road will run. According to the workers, it will be completed during the next 6 months if there are no setbacks in the acquisition of raw materials.

In the near future, PETROMAR plans to launch itself on the international market. However in order to take this big step, assistance from the government is essential; because under the current production conditions, the costs are still too high to enable PETROMAR to successfully compete on an equal footing with other similar international companies on a complex market.

Training of Cadres

One of PETROMAR's major goals is to work without interruption during the 10 years of the contract's validity, so as not to destroy the enthusiasm of an entire population, which has vested all its hopes in the Ambriz project; and therefore it plans to train Angolan cadres to reduce the cooperation and, at the same time, the costs.

In this connection, the enterprise has two occupational schools at its dock-yards, one for pipefitting, which has been operating since April of last year and which now has 10 Angolans qualified to work; and another for welding, which has trained 20 specialists since its establishment.

These youths are given a basic training and a salary approved by the local labor agent as well as other bonuses from the enterprise.

2909
CSO: 3442/382

ANGOLA

TRANSPORT MINISTRY URGES DECENTRALIZATION OF PARTS IMPORTS

Luanda JORNAL DE ANGOLA in Portuguese 20 Jul 85 p 8

[Text] During the next few months, a commission from the Ministry of Transport and Communications will concern itself with a study of the methods for decentralizing imports of parts and accessories, based on geographical regions, and with the cooperation of private state concession-holders.

This is one of the recommendations made at the last meeting of MINTRAC's [Ministry of Transportation and Communications] expanded Consultative Council held from 11 to 13 June in Luanda, at which the problems of ABAMAT's decentralization were discussed and it was noted that the ministry's current organization is "inadequate and not geared to the present situation."

According to the council's final communique, the decentralization of parts imports "should enable the technical maintenance units to acquire complete autonomy with respect to stocks of parts and accessories necessary for its activity," allowing for easy maintenance of the respective supplies.

Moreover, the council did not think that there were objective conditions for an integrated transport system; and instead of this recommended improved operation of the ports, lending CABOTANG [Angolan Coastal Shipping Enterprise] a greater capacity for carrying passengers, separation of the national highway transport from the provincial transport, a feasibility study on the creation of temporary enterprises for domestic trade in goods and rapid implementation of the transportation coordinating organ.

The council was informed of the prospects for development of telecommunications in the rural areas, and noted, regarding the assessment of the technical-economic plan, that it was possible to maintain the general production levels during 1984.

At the opening session, the minister of transport and communications, Bernardo de Sousa, member of the party's Central Committee, remarked that the administration of his ministry must be based on the party's instructions and the decisions of the Defense and Security Council; and underscored the need for upholding this principle in dealing with all matters stemming from that entity's activity.

In bringing the meeting to a close, the CC's secretary for the productive area, Andre Pitra (Petroff) claimed that it was necessary to reinforce the capacity for transporting people and goods between the urban and rural areas, and to pay greater heed to support for honest private truck operators.

He called attention to the "absolute" need for better coordination between TAAG [Angolan Airlines] and FAPA/DAA [People's Air Force of Angola/Air Defense], particularly with respect to the training and utilization of competent cadres and pilots discharged from military service. He commented: "They should have complete priority and affection, inasmuch as they have proven their love for the fatherland and for the people in the defense and security forces."

Finally, the secretary of the Central Committee called for suitable pooling of efforts between agencies in the same area of activity. He declared: "It is unthinkable and even foolish to replace the train with any other means of transportation."

Participating in the work, besides the delegates and national directors, were the vice ministers of transport and communications, Eduardo Paulo Bonga and Licino Tavares Ribeiro, as well as the first secretary of the National Union of Transport and Communications Workers.

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ANGOLA

BRIEFS

RAILWAY REPAIRED--Sumbe--The railway connecting the city of Porto Amboim with Gabela, over an expanse of 120 kilometers, has been at a standstill since last September following the destruction of a bridge located 56 kilometers from Porto Amboim, and is due to go into operation during the third quarter of this year. On Wednesday, a delegation led by Ramos da Cruz, provincial commissar of South Kwanza, traveled to the site, where it observed the extensive progress in the work; and that leader thanked the railway workers for the efforts expended in working on the project. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 9 Jul 85 p 3] 2909

ELEVATOR EQUIPMENT FROM BRAZIL--Rio de Janeiro--Angola will soon be purchasing Atlas brand fittings and components for elevators manufactured by the Villares industry in Brazil. A contract in this connection was recently signed by Angolan authorities and the Brazilian firm Marktrade International Commerce, worth \$6 million, the equivalent of 18 million kwanzas. As the director of that company, Luis Fernando Victor, disclosed to ANGOP [Angolan Press Agency], the operation has been financed by the Bank of Brazil, and will be paid for with an oil supply, based on a compensation system of debit and credit in a running account. The marketed equipment will be used to recover nearly 300 elevators in Luanda, and the Villares industry is required to set up a complete office in that city to carry out the maintenance on the recovered elevators, under the terms of an agreement due to be signed separately and valid for 5 years. The transaction also includes the training of Angolan technicians in Brazil, who in the future will be responsible for the maintenance of those 300 elevators and another 1,300 existing in Luanda. As Luis Fernando Victor also noted, the contract was facilitated by the fact that the elevators in Luanda were manufactured by an American company which uses Brazilian technology. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 19 Jul 85 p 8] 2909

INFANTRY COURSE ENDS--The 13th course for junior specialists at the Comandante Economica Central Communications School ended early yesterday morning, with the FAPLA's EMG [General Staff] communications director, Maj Jose Miguel Tchimpo-lo officiating. This basic course, lasting 3 months and taught by Angolan and Soviet instructors, is intended to give instruction in general infantry to youths now recruited who will soon have to attend a course for minor communications specialists. Officers of the Armed Forces, petty officers, soldiers and guests were present at the closing ceremony. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 14 Jul 85 p 3] 2909

MILITARY COURSE ENDS--Sumbe--Over 100 young combatants successfully completed the fourth course in battle against bandits (LCB) at the Comandante Joaquim Kapango School for Minor Specialists. During the course, given by Angolan and Cuban instructors, the students attended courses in practical training and both combat and political training. The closing ceremony for the course was headed by the assistant coordinator of the party's provincial committee in South Kwanza, Aurelio Cardoso, who, after recalling the success achieved by the glorious FAPLA in the battle against the puppet bandits in the pay of the South African racist regime, described the ceremony as very important, because it is being held at a time when South Africa is concentrating military troops estimated at nearly 20,000 men on the Namibian border with Angola. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 13 Jul 85 p 3] 2909

BPV AGREEMENT WITH BULGARIA--An agreement on cooperation between the National Council of the Fatherland Front of Bulgaria and the National Directorate of the People's Vigilance Brigades of Angola, for 1985 to 1989, was signed in Sofia. An Angolan delegation headed by Baltazar Rodrigues da Silva, national coordinator of the brigades, held talks with the country's leaders during their stay in Bulgaria. At the meetings, Bulgaria's total support for the Angolan people's struggle for national sovereignty and for the protection of their revolutionary conquests was reaffirmed. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 10 Jul 85 p 1] 2909

DELEGATION VISITS BAS-ZAIRE--Muanda--The governor of the Zaire province of Bas-Zaire, Makilo Jibikilay, recently tendered a festive reception for the Angolan delegation from Cabinda Province, headed by the Central Committee member and provincial commissar, Jorge Barros Tchimpuaty, who has been visiting Muanda, capital of Bas-Zaire, since 12 July. Jorge Tchimpuaty, who is in Muanda at the invitation of the governor of Bas-Zaire, stated on that occasion that the Angola authorities are desirous of maintaining the calm atmosphere and sincere cooperation which exist between the two countries, aimed at ensuring the safety of property and populations. Makilo Jibikilay, in turn, declared that this visit materializes the desire and determination of the two heads of state, Jose Eduardo dos Santos and Mobutu Sese Seko, to improve and consolidate the bonds of good neighborliness between Angola and Zaire. Jorge Tchimpuaty also invited his counterpart to visit Cabinda Province, at a date to be set very soon. According to the program for the visit, an extensive meeting had been set between both sides for last Saturday. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 18 Jul 85 p 8] 2909

ANGOP-AZAP AGREEMENT--Kinshasa--The delegation from the Angolan Press Agency (ANGOP), headed by its general director, Raimundo Sotto-Mayor, which has been on a working visit to Zaire since last Thursday, at the invitation of the management of the Zairian Press Agency (AZAP), visited the facilities of the Zairian newspapers on the national level, ELIMA and SALONGO. Accompanied by the president and general representative of AZAP, Landu Lusala, the ANGOP delegation received from the editors of these newspapers detailed explanations on their operation, and editorial and administrative areas, as well as their circulation in the capital and inside the country. Yesterday, Saturday, the delegation was received in a meeting by the commissioner-minister of information and press,

Ramazani Bayaia, after which it paid a visit to the "City of the Voice of Zaire," a building where the national radio and local television operate. The signing of an agreement was also set for yesterday, at a ceremony to be held at the main headquarters of the Zairian Press Agency, AZAP. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 14 Jul 85 p 8] 2909

DEATH PENALTY FOR PORTUGUESE 'SPY'--Final evidence was presented today at the trial of the five spies involved in activities against the People's Republic of Angola. The state prosecutor has requested the death penalty for Amilcar Fernando Freire, Portuguese citizen and leader of the spy network, Agatao Benguela Kamati, and Francisco Alberto Albarrao Barata. The state prosecutor requested 12 to 16 years imprisonment for the accused Eduardo Mario Antonio and 16 to 20 years for accused Francisco Martinho. [Text] [Luanda Domestic Service in Portuguese 1900 GMT 22 Aug 85 MB]

CUBAN INTERNATIONALISTS END MISSION--Caxito--At the party fair in this city last weekend, 100 Cuban internationalists were honored at the conclusion of their 2-year mission in the People's Republic of Angola. Manuel Lopes Maria (Xi-Mutu), provincial commissioner of Bengo and member of the MPLA-Labor Party Central Committee, spoke to emphasize the importance and significance of proletarian internationalism. He also stressed the spirit of sacrifice and the blood shed by Cuban internationalists in Angola. For his part, Armando Gomez, member of the Communist Party of Cuba, first analyzed the work done by the Cuban civilian mission in Bengo Province and then denounced Pretoria's attempt to sabotage the petroleum facilities at Malongo in Cabinda. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 14 Jun 85 p 3] 11798

CABINDA EXPERIMENTAL SUPPLY SYSTEM--Cabinda--Cabinda Province has been chosen for the pilot experiment with the second phase of the New Supply System (NSA), which is to begin this coming 1 July [1985]. This was announced to ANGOP [ANGOLAN PRESS AGENCY] in this city by the trade director of the Provincial Office of Home Trade, Antonio Maloco. The second phase of the New Supply System will be characterized by supplies based on the family unit, and it will depend on the prior completion of such important tasks as a census of the urban population and assignment of the current supply cards. It should be recalled that the first phase of the NSA went into effect in this province on 20 April of last year and will continue until 30 June 1985. Under the first phase, each worker was assigned to a particular store. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 13 Jun 85 p 3] 11798

HUILA PARTY RECRUITING CAMPAIGN--Lubango--The party recruiting campaign among veterans in the province began officially yesterday in the meeting room of the Party Provincial Committee during a ceremony presided over by Domingos Jose, deputy coordinator of the Executive Committee. The campaign, which will continue through 30 June [1985] under the direction of Capt Afonso Maria, head of the Provincial Committee's Section for Defense and Security Organizations, is aimed at recruiting veterans and the physically handicapped into the party's ranks. Scheduled for today is a consciousness-raising assembly at which some of the recommendations from the party's first national conference--based on speeches delivered by comrade President Jose Eduardo dos Santos--will be announced. This will be followed by the filling in of individual survey cards, the gathering of supplementary data, the preparation of newspapers to

be posted on walls, and visits to historical centers and production units. In his address to those present, Domingos Jose said that "the party recruiting campaign is an important necessity, considering that the existing number of party members is not consistent with our population density." He also said that "belonging to the party is a victory for man," and he added that "a party member must be exemplary in study, production, and discipline; he must have a close relationship with the people and combat tribalism, racism, regionalism, ambition, and other things that try to gain control of the working class." [Text] [Luanda JORNAL DE ANGOLA in Portuguese 13 Jun 85 p 3] 11798

VIETNAMESE DELEGATION VISIT--A delegation from the Socialist Republic of Vietnam visited Huila Province on Sunday within the framework of the technical and scientific cooperation existing between Angola and Vietnam and of studies aimed at laying the foundations for the first joint commission between the two countries. In this city, the visiting delegation, headed by the chairman of the cooperation committee, Dr Binh, visited the Higher Institute of Science and Education (ISCED), a school where Vietnamese cooperation makes itself felt in the training of Angolan cadres. Also included in the party were the deputy chairman of the cooperation committee, the Vietnamese ambassador accredited to Angola, and Apolinario Francisco, head of the Department of Assistance in the Secretariat of State for Cooperation. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 13 Jun 85 p 3] 11798

AGRICULTURAL MARKETING IN CUNENE--Lubango--Agricultural marketing results in the municipality of Cahama were satisfactory during the first 5 months of this year. According to official sources, the national distributing enterprise for fresh products, FRESCANGOL, acquired 260 head of cattle, 33 hogs, and over 950 goats for a total of about 116 tons, while organizations in the Ministry of Home Trade purchased the following from the peasants: 166 cattle, 258 goats, 177 hogs, and 28,080 poultry, in addition to 26 tons of "massango," at a total cost of over 1.9 million kwanzas. The municipality of Cahama has an estimated population of over 160,000 and is considered to be one of the areas most abundant in livestock. It currently has about 200,000 head of cattle as well as uncountable numbers of goats and swine, even though the minority regime in Pretoria persists in its economic, social, and political destabilization of that region and the country in general. The authorities in Cunene Province have done everything possible to expand marketing to all points in the province, the purpose being to ensure regular supplies for the inhabitants and to stop the illegal marketing of livestock that has been established by the South African racists along the frontier with illegally occupied Namibia. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 13 Jun 85 p 3] 11798

POSTPONEMENT OF SPY TRIAL--The ANGOLAN NEWS AGENCY ANGOP reports the postponement sine die of the trial which started 8 days ago in the Luanda Province revolutionary court of four Angolans and one Portuguese accused of spying for South Africa. The defendants were charged with espionage and high treason. They are the Portuguese citizen Amilcar Fernandez Freire, from Abrantes, an accountant, and the Angolans Francisco Alberto Albarrao Barata, (?Agatao Dongala Camati) Eduardo Mario Antonio, and Francisco Martinho. The detailed charges reported by ANGOP alleged that the defendants were involved in a dangerous spy network which sent information to South Africa through Amilcar Fernandez Freire on Angolan troop movements and the location of barracks and key economic installations. [Text] [Lisbon International Service in Portuguese 1200 GMT 20 Aug 85 LD]

BOTSWANA

MINISTER CHIEPE ON CONDUCT OF REFUGEES

Johannesburg THE CITIZEN in English 2 Aug 85 p 5

[Text]

GABORONE.— The Botswana Minister of Foreign Affairs, Dr Gosiwe Chiepe, has called for increased vigilance in the wake of South Africa's June 14 raid (on ANC bases) in Gaborone and a consequent threat "that these commandos will be back for a repeat performance."

Addressing Parliament yesterday, Dr Chiepe said: "I must state that our policy pertaining to the presence and conduct of refugees in our country remains and we shall enforce as strictly as we must. We will not countenance any deviation from it."

Dr Chiepe reiterated Botswana's stand that it would give asylum to those who ran away from political oppression in their countries on condition that they did not use Botswana as a springboard to attack those countries.

She said the situation in South Africa was heading for the worst as the government "lurches from one blunder to another in a desperate attempt to buy more time for racial tyranny."

The Minister said that the world was witnessing in South Africa the mak-

ings of an unstoppable and bloody revolution, "the culmination of which one shudders to contemplate."

Dr Chiepe reiterated the Botswana stand that it would give asylum to those who ran away from political oppression in their countries on condition they did not use Botswana as a springboard to attack those countries. She added "Pretoria will be asking for the impossible if her new policy is that no country in her neighbourhood should hold genuine political refugees from South Africa."

She reaffirmed Botswana's steadfast belief in the peaceful settlement of disputes, the non use of force as defined in the UN Charter and respect for territorial integrity of state. She said Botswana believed in peaceful co-existence with South Africa in spite of the conflicting ways of life both politically and socially of the two countries.

"We have unequivocally condemned the theory and practice of apartheid and deplore its intensification. We will continue to do so without fear or favour," she declared. — Sapa.

GHANA

CDR'S FACED WITH POPULARITY, TECHNICAL PROBLEMS

London TALKING DRUMS in English 5 Aug 85 pp 12, 14

[Article by Poku Adaa]

[Text] Lt Col J.Y. Assasie's decision to create a special training school for revolutionary cadres and Committees for the Defence of the Revolution appears to be a blind imitation of Kwame Nkrumah's Winneba Ideological Institute.

The Committee for the Defence of the Revolution (CDR) grew out of the crumbling structures of the erstwhile Workers and Peoples Defence Committees. They are being designed to form the nucleus of a central political organisation from which the PNDC (or its future successor) might derive power ultimately. The CDR concept appears to be a carbon-copy of Thomas Sankara's CDR organisations in Burkina Faso.

The problem is that it has been for the Chief architect of this project, Lt-Col J. Y. Assasie, a retired Army Officer quite an arduous task to establish the roots of the organisation firmly within the whole community. Officially known as the Political Counsellor for the economic development of the CDR's, Lt-Col J. Y. Assasie is assisted by Yieleh Chireh, a former deputy Regional Secretary for the Northern region and Dan Abodakpi, former PDC chairman for the Tema District.

They have had to face a wall of apathy even from workers themselves and a covert animosity from sections of the rural community. Only a few days ago, the chairman of a village

CDR, ex-Army Seargent, K. Frimpong was gunned down by a local farmer at Kensere village in the Brong Ahafo region over the CDR chairman's insistence on confiscating the farmer's free roaming livestock. And in another village near Enchi, another CDR chairman was shot dead in cold blood. Still, Lt-Col Assasie and his aides remain undaunted.

They have been holding seminars up and down the country trying to sound the message of political consciousness. The boss himself has been travelling abroad to socialist countries probably to learn how to organise political cadres. He has been to Cuba, Nicaragua and recently to the German Democratic Republic to learn about "rural development in socialist East Germany".

The Parliament House, has been converted into the CDR National secretariat and an emblem and a patriotic song have been chosen to herald the new order. Reliable sources of information indicate a CDR newspaper might be launched before the end of the year. CDR elections have started in many places. Committee members wherever they

are, are supposed to elect their officers and supervise the elections themselves.

In many places, reports indicate that existing officers are merely rubber stamped. In fact, those who were in the forefront of the "Peoples shop" concept were being called upon to render their financial accounts and only those found to have submitted satisfactory reports were to be eligible for participating in the elections.

The failure of the Peoples shop concept is a clear manifestation of the greed, avarice and graft which pervaded the body fabric of the revolutionary organs. It was the days of shortages of goods. Distribution of commodities were channelled through the so-called Peoples shops. It turned out that only relatives and intimate associates and cronies of the Supervisors obtained items from the shops. In fact in most cases, goods meant for the shops were diverted and sold at exorbitant prices. Most of them never operated balance sheets.

That is the reason why, the political counsellor is using full page newspaper adverts calling on CDRs to return accounts of Peoples' shops. Designed and intentioned to be co-operative outfits, their operations were far from business-like. Collapse of this shop idea now in the face of a market flooded with unsaleable goods and commodities, appears to be total and irreversible.

Now the latest proclamation is that a new Training school will be set up to teach, educate and shape the minds of the cadres of Defence Committees and other revolutionary organs on the lines of the erstwhile Winneba Ideological Institute. Whether this new load on Lt-Col Assasie should be worth its effort is doubtful. Already there are so many of these so-called "Progressive Movements", splinter groups of assorted aims and political stances, all of them waiting on the balcony of power, constantly squabbling acrimoniously, always deeply divided and all uncertain what Rawlings and his aides will formulate for the country with the rise of each new day.

The June 4th Movement, the Democratic Youth League of Ghana, the New Democratic Movement, the December 31st Women's Movement, the Kwame Nkrumah Revolutionary Guards, the Catholic Graduates for Action, just to mention a few, are all sitting on the fringes of power. Even within each group, there is no cohesion as to direction of thought and policy.

Memberships are few and scattered and those in remote areas have virtually no contact with their leadership or very unsure what their role should actually be in the scheme of things. They all constitute a broad sprinkling of groupings without any organisational structure or clear-cut direction.

Lt-Col Assasie has tried so hard to establish the CDR's at the centre to be able to pull these movements on the fringes into it, so there will be a closely knit kind of structure but it seems fairly visibly clear that the centre cannot hold, the periphery is breaking apart.

What is happening should be a lesson to anyone within or outside the country who decides to form a mass movement. Communication, transport and telecommunication, are a vital necessity without which total failure is inevitable. The deputy CDR Political Counsellor, Yieleh Chireh has learnt that to his chagrin recently when after driving along an almost impassable feeder road to Akim Asuom to address CDR leaders, he said: "It's always difficult for me in Accra to know your progress over here and you know I can't come here every week. Obviously referring to his car bumper and tyres invisible from the mud and red clay".

There are several reported cases, where there have been open hostility between the June Fourth Movement and CDR's and between the other progressive movements, each organisation trying to prove to the other who is more 'progressive' or 'revolutionary'. In point of fact these organisations do nothing except to issue statements here and there. Mass mobilization is not part of their

programme. That according to a 'radical' official of the JFM "is the work of Steve Obimpeh's National Mobilisation Committee. They are supposed to mobilise people for food production".

"But you are supposed to have a function of political education and mobilization . . ." to which proposition he replied: "That is the work for the CDR's" So what is the purpose of the JFM? "We stand for justice and equality," he replied.

Nearly all of them issued statements to support the Dutch missionaries who were sacked by the Kumasi diocese of the Catholic church. For what reasons, no-one can figure except perhaps as a show of solidarity. But that is just irrelevant, really. Herein lies the reason why Lt-Col Assasic cannot, by any stretch of imagination, wear the shoes of Kwame Nkrumah. The Winneba Ideological Institute was a different ball game. It had a clear-cut unambiguous aim — to train personnel to carry a thought-out definite message to the whole continent.

Their students were not meant to be used, as novices, for the nucleus of a political party. They were destined to fill the ranks of the existing political party. They were destined to fill the ranks of the existing political organisations. They were already committed party men, vetted and selected for training with unquestionable, unalloyed loyalty to their Party.

Lt-Col Assasic is a one-man bricklayer laying the concrete foundation of a national edifice without a site plan or surveyor's drawings in a swampy landscape.

God bless him. It is an arduous task but short of financial motives, it is admirable to see men facing quixotic challenges to beat the odds.

CSO: 3400/950

GHANA

GDM CHAIRMAN MENSAH ANALYZES ERP'S SHAKY PROGRESS

London TALKING DRUMS in English 29 Jul 85 pp 14-17

[Text] Mr J.H. Mensah, an economist and a former Minister of Finance in the Busia government, and currently chairman of the Ghana Democratic Movement (GDM), reacts to some issues raised in a BBC programme about Ghana.

On Tuesday 2 July, the BBC World Service did our country the rare honour of devoting its 15-minute programme "The World Today" to a discussion of Ghana's political and economic problems, the occasion being apparently the 25th anniversary of Ghana becoming a Republic.

The length of this feature makes it one of those few programmes where the British media have the opportunity to examine such issues in depth for the education of a massive audience instead of repeating the usual shibboleths and distortions about Third World countries. Alas, this opportunity to inform the world meaningfully and truthfully about Ghana was almost entirely wasted.

Two days later, on 4 July, the BBC devoted the same spot in its World Service to a discussion of the current economic crisis in Israel, with a panel representing four viewpoints on the situation there. The embarrassing contrast between that programme and the one on Ghana should show those responsible the disservice they have done to our country.

The Political Perspectives

Mr Cameron Duodu, the well-known Ghanaian journalist, contributed. It

seems he has abandoned the idea that a progressive/radical elite can fashion a political system for Ghana that would solve the multitude of problems created by the old politicians". He now believes that until Ghanaians can freely elect their own leaders there cannot be the political stability or the national mobilisation required to tackle the dire economic situation of our country. Most of us Ghanaians would wholeheartedly endorse that point of view.

The snag is that at the next election it is the same old politicians, those who can communicate with rural masses and have long enjoyed the confidence of illiterate voters, who will present themselves and get elected in any genuinely free system. The question once again will be whether the fashionable intellectuals, and radicalised soldiers in Accra, who know they could never win a free election, will accept such a popularly elected government, however conservative or "neo-colonialist", or will immediately proceed to plan another coup so as to be able to experiment with building another socialist utopia.

Anyway, knowing the reality of the appalling hardships under which most Ghanaians live, Cameron concluded the programme with the question:

What was the change (of 31 December, 1981) for? For clearly, three years of revolution had made things worse, not better, contrary to all the theories, the promises, the plans and the propaganda.

The second panelist, Mr Raph Uwechue (for a few weeks Nigeria's Minister of Information under Shagari) has recently been doing much public relations for Rawlings. His claim to being an expert on Ghana presumably rests on a recent visit to Accra, the purpose of which was to record an interview with Rawlings for a glossy pamphlet produced by his company (Africa Journal Ltd) for the regime. Indeed, it is remarkable how paid agents have been used by the BBC since 1982 to present news and views about Rawlings' Ghana without some attempt to balance them with an alternative or neutral viewpoint.

On the basis of this involvement with Ghana, Mr Uwechue proceeded to tell the world how "the ordinary Ghanaian" feels about the political and economic situation. Rawlings is exonerated; people are learning about self-help; they can see that "things are being done in their favour"; and they now understand that their hunger or prosperity is bound up with their own local efforts and not to do with the government in Accra. "The ordinary Ghanaian" must surely be grateful for this caricature of his level of political sophistication. And all of us must take note of Mr Uwechue's authoritative statement, based on his conversation with Rawlings himself, that the regime has no intention of permitting a return to elective politics.

For a Ghanaian, the instructive fact was that the interviewer did not find it worthwhile to press any questions about personal or political freedom in Ghana, much less about human rights. These obviously remain 'sensitive' issues regarding which much of the Western media, and most disappointingly the BBC, no longer seem to be interested or to maintain any standards of assessment.

For otherwise how could Raph Uwechue get away so casually with claims like "mass participation in decision-making" under the CDRs and all those other bogus slogans of a naked dictatorship masquerading as the model of the new African democracy? Perhaps the BBC is simply tired of talking about an evil that will not go

away, though they continue to try hard enough on Poland.

But increasingly, the awful suspicion must be that some of them actually think that it is alright or even natural (authentic) for Ghanaians to live under such a regime. In any case you cannot expect better, so why waste precious air time talking about it?

The Economic Perspectives

For its third panelist the BBC produced a lady from the Economist Intelligence Unit (Mrs Carswell?). Not having much to say about the economy of Ghana, she fell back on the classical formula for explaining everything. "The previous governments had not..." If she had known more about the recent economic history of Ghana, the fact that different governments of Ghana, during the 25-year period in which she consigned everything into this omnibus hold-all, had pursued quite different policies in important areas, and been faced with a wide variety of external constraints, would have given her pause.

But as she went on her merry, wishy-washy way she let drop a piece of intelligence from the usual 'authoritative sources' — presumably the British Foreign Office — of which we should take careful notice. This was to the effect that the much-touted Economic Recovery Programme of the PNDC was not showing results and that Rawlings' Western backers were not prepared to support him indefinitely.

In 1983 it was decided by these Western countries that there was advantage to be gained in taking over the revolution that Gadaffi had initially financed and then failed to sustain. Protesting its complete unconcern with the politics of its clients, the IMF proceeded to launch a 'model' economic reconstruction programme for Rawlings with the approving votes of its Western controllers.

All historical evidence and basic common sense suggested that no economy could be turned around in the midst of all the political, administrative and managerial chaos that was an essential element of the damage in the Ghana economy that was to be repaired.

It was particularly cynical to pretend that private investment, whether Ghanaian or foreign, would be revived by an IMF stamp of approval when the

government had destroyed confidence so systematically as an integral part of its class-war crusade against the so-called bourgeoisie and "neo-colonialist structures".

Heedless of all such doubts, the IMF has proceeded to commit some £550 million to the support of the revolutionary experiment. Under the Fund's rules there is hardly any room left for further lending to Ghana. On the contrary, these massive debts are soon due to be repaid out of a Ghana economy which has not shown any visible growth as a result of spending all that IMF money.

The IMF Model Programme In Ghana
The really bitter pill for Ghanaians to swallow is that these short-term loans have not even been used to give them a fleeting bonanza of consumer spending for which they might afterwards pay by means of a further tightening of the austerity in public services and the reduced standards of living that already affects them so harshly. Much of the IMF money has gone to pay off arrears on trade and other current transactions, some of which had been outstanding for a decade.

In the profession, this kind of operation is described as 'restoring the creditworthiness of the nation'. And indeed the official credit agencies of Ghana's principal trading partners (ECGD in the UK, Hermes in West Germany, Ex-Im Bank in the US) have each opened a small line of credit since 1984 to support their manufacturers who want to sell goods to Ghana.

What is conspicuously absent is the flood of private capital that was supposed to follow the IMF intervention. But it is precisely that private investment which could create the additional wealth out of which the IMF debts might be repaid — with something left over to improve the standards of living of the Ghanaian worker and his family and to help restore the public services and infrastructure which are so terribly run down.

Already, the cost of this course of economic medication under the IMF's model programme for Ghana has been extremely heavy. Like many another new convert, Rawlings has become holier than the pope. The record-breaking devaluations that wiped away so much of the real income of workers, and destroyed so much of the value of the nation's savings, would surely not

have been so casually agreed to by any government which knew anything about the negotiating possibilities within the international system or was in any way answerable to the people of Ghana.

Since then the talk has all been of how statesmanlike Rawlings has been (unlike Limann) for so readily accepting to do everything that was demanded, however implausible the supposed benefits to Ghana.

Given the nation's heavy dependence upon imports it became the explicit and priority aim of the PNDC's Economic Recovery Programme to restore Ghana's export earning capacity, so that we can begin to import more of the things that people need. But it can already be seen:

- (i) that the sacrifices already made have not paid off;
- (ii) that by the end of the three-year plan period none of the objectives of the programme will be even remotely in sight of being attained;
- (iii) that when the IMF loans fall due for repayment the only means of finding the money will be to further reduce the standards of living of everybody and cut back social services even further.

A few figures will set this forecast in perspective. At the beginning of the 1970s Ghana was selling around 450,000 tons of cocoa a year to finance its imports. Under the initial assault of the PNDC revolution this had fallen to a record low of 160,000 tons, and the newly 'pragmatic' council decided in 1983 to raise it back to 300,000 tons within the three years.

As of now, Ghana's cocoa production has only climbed back to 175,000 tons even with the exceptionally good weather of the 1984/85 season. And clearly it would be rash to forecast anything above 200,000 tons by the end of the programme. Similarly, Ghana used to sell about 23 metric tons of gold a year to the world. The current rate of output is just around 8.7 metric tons. Many incentives have been given to the mines, and government has borrowed money from the World Bank not only to finance new development at Obuasi but even to pay the compensation for the partial nationalisation of A.G.C. which had been outstanding since 1972! With luck, gold production could be back to 10 tons by 1987.

But that would be so far from paying for the goods we used to be able to buy from abroad with exports of gold 15 years ago, let alone pay off huge loans from the IMF. A special aspect of the gold situation is that by its newly-found 'liberal trade policy' the PNDC government is positively encouraging the smuggling of a substantial proportion of the output (see below).

The story is the same with diamonds. Production has fallen from some 2.5 million carats in the early 1970s to just over 200,000 carats last year. And the government is now making some very dubious deals with certain personal friends of Tsikata and Rawlings over new diamond concessions, which, in any case, cannot produce significant results this side of 1988. Shipments of bauxite and manganese are running at between one-quarter and one-third of their previous volumes, and timber at barely one-tenth.

All-in-all, the lady from the Economist Intelligence Unit is quite right: the Western chancelleries, which do their sums on Ghana backed by good intelligence on the ground, know that the gamble is not going to pay off — and, it seems, are preparing their exit. For 2 years everybody insisted that there was a new, pragmatic Rawlings with a good economic plan on paper for redeeming Ghana.

A politically blind IMF was under instructions to pump in these massive sums of money and to give its stamp of approval to the Rawlings regime. And a "model exercise in economic reconstruction" was to be carried out in Ghana as an example to other African countries.

Certain immediate material interests have indeed been satisfied. The PNDC backed off from the wholesale expropriation of Western investments, and many old debts have been repaid. But every competent economist and politician has known all along that having a paper plan and money from the IMF is not sufficient to generate an economic recovery. The most important factor is PEOPLE.

People able to establish and maintain a conducive framework of political institutions and economic policy, to administer the machinery of

government with a high degree of skill, to manage productive enterprise and market its products at home and abroad, to exercise the skills of craftsmen, technicians, and farmers.

However, to raise this issue was inconvenient, "politically sensitive" and nobody in the West was prepared to discuss it for two years. One can only hope that, at least at the professional level, somebody in the IMF or the World Bank had alerted the bosses to the fact that the most important resource for Ghana's development was steadily draining away.

There was surely no secret about the fact that Ghanaians with rare and essential skills were being turned away in droves by the personnel departments of the IMF, the World Bank, UNDP and everybody else. Or that well-trained Ghanaians were prepared to brave sudden expulsion from Nigeria and all the indignities of their reception by the immigration authorities of Britain or West Germany in order to escape from the Ghana of the new "pragmatic" Rawlings.

It seems that belatedly somebody has decided to start coming clean. A recent loan agreement between the World Bank and the PNDC for the rehabilitation of the cocoa industry included a provision for a contract for \$5 million under which British consultants are to be sent out to help the Cocoa Marketing Board in its struggle to reach the target of the programme. This money has to be repaid eventually by Ghana. And yet 20 years ago we were capable of collecting, grading, transporting and marketing 500,000 tons of cocoa without any help from expatriate consultants.

Everywhere this anomaly can be observed. The Rawlings regime, in pursuit of its class war ideology, is destroying native entrepreneurship, the professional, managerial, administrative and technical talents that have been built up through decades of social development.

Meanwhile Western governments, together with the institutions such as the IMF and the World Bank which they control, seem to be encouraging them in the delusion — for which the same long-suffering Ghanaians will have to pay so dearly in future, in

foreign exchange — that a nation can destroy its most precious asset, its trained manpower, in the name of "class war" and still stage a "model" economic recovery.

Economic Success Under the PNDC

For a while it was actually being claimed, especially by Western visitors to Ghana with convertible currency in their pockets, and by British media commentators from Brian Walden to Hilton Fyle, that the IMF experiment in Ghana had already succeeded! The principal evidence was that people could now buy any consumer items they wanted in Accra, however luxurious or exotic.

First, the government promoted foreign exchange shops where Ghanaians, who are *by law* not supposed to hold any foreign currency, could buy all the consumer goods they needed as long as they paid in foreign currency. Since 1984 the PNDC has gone even further. Many of Rawlings' and Kojo Tsikata's personal friends, especially expatriates and half-Ghanaians, have been allowed to import masses of consumer goods "with their own foreign exchange" under the notorious SUL system.

Their 'supermarkets' in Accra are filled with every conceivable kind of foreign consumer goods. And anybody can now buy these goods *in cedis* if they can afford the prices. Market women were even taking some of the goods and selling them at a discount behind their bulging stalls at Makola and elsewhere.

It is only recently that a few media commentators have begun to admit that this apparent success of the PNDC's new economic policy could be a cruel deception (e.g. to his credit, Nii Bentsi Enchill *West Africa* 8 July, 1985). First of all, these goods that are 'flooding' the streets of Accra are being sold at prices that only foreigners who can exchange their hard currency at ₦200 to £1 sterling, or Ghanaians who participate in the foreign currency racket, or in gold smuggling or in straight PNDC-protected plundering of the banking system and government treasury, can afford.

Indeed, since the beginning of 1985 the importation of these black market goods has slowed down considerably, especially among the Ghanaian women who used to crowd Ghana Airways flights to Europe. Ghanaian workers, and even the allegedly privileged professional people, cannot afford these goods.

Secondly, how do these merchants get the foreign currency to import their goods? Mostly, it is by buying or directly organising the stealing of gold from Obuasi and Tarkwa, and selling it in Lome, Lagos and now in Rome, Zurich and London for hard currency.

The PNDC government knows that by abdicating its responsibility to provide Ghanaians with food and basic consumer goods, and encouraging its friends to operate this vast black market in gold, it is surely undermining the recovery of the mining industry which is one of the essential pillars of the supposed economic recovery programme.

It would require very little analytical effort by visiting IMF and World Bank officials, by media experts such as Raph Uwechue, or by the resident representatives of the Western powers, to appreciate this fact. Yet there has been this deafening conspiracy of silence for two years while we were being assured that a model economic recovery programme was proceeding according to plan in Rawlings' Ghana.

A Plea for Ghana

The essential task in economic policy for Ghana is still the same: to restore productive capacity (including, especially, investment to rehabilitate export industries) so as to enable Ghanaians once more to enjoy respectable and steadily rising levels in their private standards of living as well as in the provision of communal facilities by way of social services (education, culture, health, sanitation) and the physical infrastructure (roads, buildings, drainage, etc).

The 'economic success' that has been achieved under the IMF-PNDC model programme is surely a hoax, impressive

to media and other foreign visitors but carrying very serious consequences for Ghanaians both now and in the future.

To be indebted to private banks and suppliers, and to fall into arrears on payments, is unpleasant enough. But private bankers are trained to cope with customers who get into difficulties for one reason or another. To repay private sector debts with loans from the IMF is to put the country into a much more difficult straight jacket.

The repayment of IMF debt takes absolute precedence over every other use of the nation's resources: there is no question of talking it over or falling into arrears. Even if children should be dying in Korle Bu for lack of medicine to combat an epidemic of dysentery, the claims of the IMF have to be met first.

The discipline of this regimen is often quite salutary in forcing habits of good housekeeping on profligate regimes. But in situations such as the one into which the PNDC have so recklessly led Ghana, it becomes an intolerable burden. This year, even before any of the IMF loans are due for repayment, the government has forecast that about 55% of all the foreign exchange that will be available to the nation has to be used for debt repayment.

Already, lack of raw materials, spares etc, is causing massive retrenchment in industry, and the government's budget is so squeezed that even the cherished access of all able children to the education that will set them up for the rest of their lives has been withdrawn by this supposedly

socialist regime.

In relation to export earnings that, as argued above, are unlikely to rise very much above the current level of around \$450 million in the near future, the additional obligation to repay some \$500 million to the IMF in a short period will surely break the back of the Ghana economy.

It could be argued that the catastrophic economic situation that would then face the people of Ghana is just what is needed to finally topple the blood-stained regime of Jerry Rawlings. And that is a consummation devoutly to be wished. But surely we do not want to see what little there is left of social order in Ghana dissolve in a general upheaval or add any more to the suffering of our people. And obviously it is the innocent and honest people who will pay the price for it, not the revolutionaries who have all put on so much weight. No; we should fight our political battle with other weapons.

As stated above the lady from the Economist Intelligence Unit did not know much about Ghana. But it must be presumed that she knows something about her own people and what those in power are planning to do about Ghana. Our plea to them must be: Don't dump Ghana after a misguided experiment. Find the room to extend our credit and make sure that under a new, more realistic, programme, you pay the greatest attention to PEOPLE who are the foundation — as well as the goal — of all economic development.

KENYA

BRIEFS

OIL IMPORT COSTS--Mombasa, 3 Sep--The total oil import bill for the supply of energy requirements in Kenya for the year 1984 totalled 393 million [Kenyan] pounds consuming approximately half of Kenya's foreign exchange earnings. The Minister for Energy and Regional Development Mr Nicholas Biwott said this when he addressed members of staff of the Kenya Petroleum Refineries Limited in Mombasa over the weekend at a party hosted by the company to grant long service safety awards to its employees. [Excerpt] [Nairobi KNA in English 0804 GMT 3 Sep 85 EA]

CSO: 3400/1628

LESOTHO

IRELAND PLEDGES CONTINUED COOPERATION

Maseru THE COMET in English 3 Aug 85 p 6

[Article by Joe Molefi]

[Text]

THE Irish Government has pledged continued co-operation between Ireland and Lesotho to assist the country in its development efforts in the various fields, the Managing Director of the Lesotho National Development Corporation (LNDC), Mr. Lengolo Monyake, said in Maseru, at the end of a familiarisation visit to Ireland.

Mr. Monyake visited Ireland on a week-long familiarisation tour of the country, at the invitation of the Industrial Development Authority of Ireland (IDA). He was accompanied by the Director of Operations at the LNDC, Rots'elisitsoe Lechessa.

Mr. Monyake said they learnt much on the promotion of investments and the financing of industries under the IDA's industrial development programme.

In the field of promotion of industry, the IDA attracts foreign investors to establish manufacturing plant in Ireland, and

also promotes the development of local entrepreneurship, whether large or small.

Mr. Monyake said he was particularly impressed by the successful operation of a one-man enterprise established by a young man recently qualified from college, who manufactures electronic products for marketing as far afield as Zambia.

The IDA provides local entrepreneurs grants to help them in the establishment of industries. The cash grants are tax-free and cover the cost of land, buildings and machinery.

The local entrepreneurs operate from the Enterprise Centre in Pearse Street, Dublin, established as part of the IDA's programme for industrial renewal and job creation in Dublin's inner city.

The Centre which operates along the lines of the Basotho Enterprises Development Corporation (BEDCO), was the first of its kind in Ireland and the largest to date in Europe. It brings together

on one site, established city centre industries, successful new high technology companies, craft workers and people trying out for the first time fresh products new markets and original ideas.

As well as providing a range of industrial units and workshops, from 100 to 1,950 square metres which cater for a variety of different industrial activities, the Centre also provide a number of centralised advisory and ancillary services, including accountancy, marketing and design services and administrative support.

Mr. Monyake said these services could be very useful if adapted to organisations such as BEDCO which assist the development of small scale enterprises for Basotho businessmen and women.

He observed that the development of industry in Ireland served as a useful import substitution strategy to reduce the importation of consumer goods from abroad, and also promote savings of foreign exchange. Local industry also helped to

open up employment opportunities for the people of the country.

As part of its programme of assistance to the LNDC, the IDA had agreed to accept LNDC personnel on training attachments in the different divisions of the IDA, Mr. Monyake said.

During their stay in Ireland, the two LNDC officials met the Minister of State in the Ministry of Foreign Affairs, responsible for development aid, Mr. Jim O'Keefe; the Executive Director of the IDA, Mr. Paid Mcmenamin; Mr. Michel Holev,

Manager of the Development Coorporation Division within the IDA, responsible for cooperation with other countries, and other officials of the IDA.

They also met officials of the IDA who served in various capacities in the LNDC under the IDA's technical assistance programme to the LNDC. They visited the Accounting firm of Stokes, Kennedy and Cowley which has seconded technical assistance personnel to the Centre for Accounting Studies in Maseru.

CSO: 3400/982

LESOTHO

BRIEFS

EEC GRANT TO IMPROVE CLINICS--The Commission of the European Communities has approved a grant of approximately M900,000 for the improvement of rural clinics in Lesotho. According to the statement from the Delegation of the Commission of the European Communities to Lesotho, this is the continuation of on-going European Economic Community (EEC) programme for improvement of rural clinics in Lesotho. The clinics which will be improved are Bethany, Kolberg, Linakeng, Motete, Sehong-hong, Nazareth, St. Gabriel and Holy Cross. The new clinics will be constructed in Mohalinyane, Maryland and Thaba-Ts'oeu; in Thaba-Tseka a new District Medical office will be provided for the clinics and vehicles for the clinic construction unit in the Ministry of Co-operatives and Rural Development. [Text] [Maseru THE COMET in English 13 Jul 85 p 6]

DPRK DONATES 20,000 MAIZE BAGS--The Democratic People's Republic of Korea (DPRK) has donated 20,000 bags of maize to Lesotho for drought relief. The consignment was presented by the Ambassador of the Democratic People's of Korea, Mr. Gyong Hyon to the Minister to the Prime Minister, Mr. David Makoae on behalf of the government. In a brief hand-over ceremony, the Ambassador said that this donation is another clear sign of increasingly developing relations and cooperation between the DPRK and Lesotho. He said the people and the government of Lesotho under the leadership of the Prime Minister Dr. Leabua Jonathan are creditably safeguarding the country's sovereignty even under harsh circumstances because Lesotho is surrounded by racist South Africa. In his reply speech, Mr. Makoae said the consignment of maize has come at the right time when Lesotho is experiencing severe drought. He assured the Ambassador that the maize would be used in the development activities of the country as it has been done for years. The Democratic People's Republic of Korea last year donated 2000,000 bags of fertilizer to the Lesotho government. [Text] [Maseru THE COMET in English 13 Jul 85 p 6]

RSA ON USE OF SABC--In reply to a protest message sent by the Lesotho Government to Pretoria, South Africa has denied that the SABC is under state control. The reply follows a protest prompted by the use of the Sesotho Service of Radio South Africa by the self-exiled BCP [Basotoland Congress Party] leader, Mr Ntsu Mokhehle, to broadcast statements announcing LLA [Lesotho Liberation Army] attacks within the country. Soon after the broadcast, which was on 16 August, six members of the (Malatshamela) family were brutally slain. Concerning Mr Mokhehle's whereabouts, the South African message said that he was in a group of, and I quote, a large number of Basotho in South Africa who, according to information received, consider themselves to be in lawful and peaceful opposition to the Lesotho Government, unquote. [Text] [Maseru Domestic Service in English 1600 GMT 3 Sep 85 MB]

LIBERIA

BRIEFS

LOAN AGREEMENT WITH DENMARK--The visiting Danish delegation to Liberia and the Ministry of Planning and Economic Affairs have signed a memorandum of understanding for a \$10 million loan for agricultural development and water supply in Liberia. Under the terms of the memorandum, the Danish delegation will recommend to its government to loan Liberia an additional \$10 million for the processing of rice seeds and construction of a rice storage plant for the Liberia Produce Marketing Corporation. Part of the amount would also be used to fund the Danish-Liberian rural water supply project. The memorandum of understanding was signed following a joint review of two projects financed under the earlier loan by the Danish Government to Liberia.
[Excerpts] [Monrovia Radio ELWA in English 1200 GMT 1 Sep 85 AB]

CSO: 3400/1027

MOZAMBIQUE

SMO MEETING TAKES PLACE IN BEIRA TO DISCUSS PROBLEMS

Beira DIARIO DE MOCAMBIQUE in Portuguese 29 Jul 85 p 5

[Text] The problems associated with the fatherland's defense and most particularly, with Compulsory Military Service (SMO) were the topic of an extensive debate held at a meeting which lasted nearly 7 hours, last Saturday, at the Beira railroad pavilion, involving over 1,300 participants, including party and state officials, officials from the democratic mass organizations and socio-professionals on the provincial and city of Beira level, as well as from enterprises and from the provincial military command.

The meeting was chaired by Maj Gen Marcelino dos Santos, leader of Sofala, who was accompanied by Brig Joao Aleixo Malunga, provincial military commander, Maj Gen Joao Pelembe, commander of the Dondo Military Instruction Center, and Lourenco Marra, first secretary of the Beira City Committee, among other authorities.

The meeting, which was hailed by most of the participants "as a means of solving our problems, and debating them as extensively as possible," actually constituted a great school in which everyone learned and also made a contribution of their experience. There was a serious debate on SMO's problem : the need for youths of military age to join the Army and perform their patriotic duty therein; because as many of the heads of the rank and file entities remarked in their speeches, "it is a matter of defending the fatherland, and when it is a matter of defending the fatherland, no one must be excluded."

It was a meeting which revived the FRELIMO work methods. Using criticism and self-criticism, there was a discussion of the problems probing their details and identifying the causes; and, on that basis, finding solutions. In particular, all the 1,300 officials present were able to leave with the same information and the same thinking regarding SMO, and the responsibilities of each citizen in this process.

Parents' Responsibility

It was in this context that Marcelino dos Santos, upon taking the floor, asked: "Do you like these meetings?" "Yes, we like them," replied those present.

"How can we explain these situations? Why doesn't everyone have a clear idea yet about the problems that we have, about SMO? Does this mean that there are still but few with a political consciousness, and that there are no more? We must involve the party, the ODMs [Mozambican Defense Organizations] and the socio-professionals involved in educating youths concerning their patriotic duty. We want to develop and consolidate the Mozambican nation.

"But what do we, fathers and mothers, tell our sons about compulsory military service," asked Marcelino dos Santos, to point out that patriotic education begins in the home. He invited those present to visit the Dondo Instruction Center "for a better understanding of the difficulties, and to observe the effort being made to solve the problems which have cropped up here."

The Sofala leader commented: "As you have remarked, and very appropriately, some are taking advantage of our shortcomings to evade their patriotic duty, but no one should back out; let us advance. Courage, determination and involvement are necessary, but the fatherland's tasks transcend everything."

No One Is More Important

He noted: "We have had failings during the first years of compulsory military service, because when individuals with sixth and ninth grade schooling went, we said that they were important. Who is not important in this republic?" asked Marcelino dos Santos.

Also commenting on the mistakes made at the beginning, and calling for them not to be repeated, the leader of Sofala Province declared: "At that time, only those with fourth grade schooling joined the troops; those with sixth or ninth grade education did not go. There were endless deferments."

Measures for Defaulters

Before the Sofala leader took the floor, the political commissar from the Sofala Recruitment Center, Luis Alface Matias, submitted the report on the activities carried out and the difficulties encountered by this military agency, from the signing up until the current phase of incorporating the youths, the process of which was the main topic at the meeting.

The member of the provincial government for SMO affairs, Adelino Ribeiro, in turn, subsequently gave a brief account of Law 4/78, also discussing the difficulties met with in mobilizing the youths for the Army; stressing among them the lack of a qualified work force at the Provincial Recruitment Center and for the districts.

Twenty individuals made statements on compulsory military service and, of course, on the youths' incorporation for the fatherland's defense. Generally speaking, those commenting complained of the slowness in sending recruits to the Dondo Military Instruction Center, and emphasized the need for adopting strict punitive measures against draft dodgers.

Enforcing the Law, Punishing Draft Dodgers

Warrants for arrest will be issued against those who neglect their patriotic duty, or rather, draft dodgers. To surmount the potential difficulties, Maj Gen Marcelino dos Santos announced the involvement of all the party and state agencies, and the democratic mass, and socio-professional organizations in this important task.

This decision resulted from the fact that most of those examined and considered fit from a medical standpoint (especially those already called up), have not yet shown up at the Recruitment Center for their actual incorporation.

"It is claimed here that those from 18 to 30 years of age must perform compulsory military service. Do you know this or not?" Some responded that they knew, and others claimed not to know. "You said that the law is not being obeyed because the draft dodgers continue to go unpunished. In reply, I say: enforce the law; enforce SMO."

War Is Killing, Not Dying

"Let's remove from our minds the notion that fighting means dying," said Marcelino dos Santos, adding that, "this is what is involved: either we are going to die impassively, like slaves, or we are going to kill the bandits. War is killing the enemy.

"But what do we say? What does the head of the GD [Mobilizing Groups] or of the city block say? What do the people say? How should we progress? Let us take action; we want to eliminate the bandits. I also ask: where is our spirit? What is the reason for this behavior of ours? This fatherland will grow, only with the organization of the party cell and the OTM [Mozambican Workers Organization] union committee."

The leader of Sofala Province concluded by saying: "I want to tell you quite frankly that I am very pleased with this meeting, and to be able to discuss compulsory military service."

2909
CSO: 3442/378

MOZAMBIQUE

MATUTUINE POPULATION INCREASE EFFORTS IN SELF-DEFENSE

Maputo NOTICIAS in Portuguese 18 Jul 85 p 3

[Article by Filipe Ribas: "People and Armed Forces on the Alert in Matutuine"]

[Text] Units of the armed forces of Mozambique organized a watch system in the district of Matutuine. This is done with the participation of the population. The people volunteered to establish local self-defense units while at the same time supplying information on the movement of the armed bandits. These actions, above all in areas likely to serve as hiding places for the armed bandits, made it possible to prevent the worst crimes against the people. Isolated, without support and starving, the armed bandits try to reach certain areas where, above all under cover of night, they can steal from the people and kidnap persons whom they can use as a shield during their escape. Generally, they take women and children. There are events which enable us to prove that the armed bandits are trying to infiltrate the area of Catembe to steal food, clothing, domestic utensils, and cattle.

Last week, the armed bandits tried on three different occasions to infiltrate the area of Catembe for the purpose of attacking canteens and homes. In the first attack, the armed bandits headed for a canteen known as "Pires."

Exploiting the dark of night, they went through several houses, kidnapping residents. All items that they could carry, such as, for example, radios and food, were taken. Their movement was detected near that canteen. When the unit of our armed forces stationed there opened fire on the bandits, they escaped into the jungle, taking the kidnapped persons and the stolen goods with them.

In their escape through the forest, the bandits were spotted by another unit of the FAM [Armed Forces of Mozambique] stationed in the little town of Nsime; that unit immediately went into action with artillery fire. Tracks and traces of blood showed that there were casualties among the criminals. The bandits were successful in continuing their escape, taking their dead or wounded with them. The goods stolen from the people were left on the ground by the bandits during their hasty flight.

The goods stolen from the people were recovered in their entirety during the pursuit which was launched during the night. On the morning of the next day, all of the people who had been kidnapped by the armed bandits appeared in front of the position of our armed forces in Nsime to take back their food, radios, and utensils which had been stolen by the armed bandits.

According to eyewitness testimony by three men and three women, who had been kidnapped, when our armed forces opened fire on the bandits, the latter abandoned their prisoners since they made their escape more difficult. The grenades that had been fired, according to the kidnapped persons, fell exactly in the place where the bandits were taking a break in order to rest. The people, who had been kidnapped by the armed bandits, returned safe and sound to their homes thanks to this rapid response by the FAM.

Wednesday night, 4 July, around 1800, nine armed bandits attempted a renewed infiltration of the region situation between the little town of Nsime and kilometer marker 18. On its way, the bunch of bandits kidnapped residents of the area, forcing them to carry their belongings. The kidnap victims were taken in an effort to make sure that the local population would be unable to warn the armed forces that the enemy was passing through.

At around 2400, a militiaman, who had been among the prisoners taken by the bandits, managed to break away and to alert the FAM unit stationed in Nsime, the place where our reporter also happened to be.

According to information supplied by the militiaman, the bandits, with 15 kidnapped citizens--four men and 11 women--were camping near a primary school situated about 15 kilometers from the military unit.

An operation was immediately launched and the unit reached the place where the armed bandits had been a little before 0600. At that point, the group of bandits had just finished letting its prisoners go. While the released prisoners were supplying information on the place where the bandits were, the latter tried to lay an ambush in the nearby forest. The fighting that followed immediately lasted 20 minutes. Only small arms were used.

The pursuit by the armed forces continued until about 1600. The area toward which the armed bandits were heading was a rather dense forest, which is why the pursuit ended only with the confirmed recovery of the property of the local people.

In the Matutuine district, the armed bandits, after having been repelled on various fronts, with many of their camps destroyed, became more dangerous and violent to the people. As a result, forming roaming groups, operating here and there, the armed bandits became a real terror wherever they passed through. At night, the people are on permanent alert.

In the course of the events that took place at 1800 on 4 July, the bandits began to kidnap some of the people between Nsime and kilometer marker 18. It was confirmed for us that a group of nine bandits had showed up in the vicinity.

The first thing the bandits did was to demand soap, pots and pans, plates, and food. In one of the houses, a woman, saying that she had no food, was beaten and the bandits took all articles that they could carry easily. The woman was forced to accompany them so as to point out the location of other houses in the vicinity.

In another home, where several women had gathered, the bandits operated differently. Mothers who were carrying their babies on their backs, with only a bagful of food, were beaten and forced to collect everything they could and accompany the bandits.

The bandits managed to kidnap 15 persons, including two militiamen. All of those who were kidnapped that night wound up only with the clothing on their backs. Some had not yet settled in since they had come from the regions of Mungazine, in the vicinity of Majuba and Unidos Venceremos, Esperanca, and Filipe, where they had escaped from the plunder of the armed bandits.

One of the bandits, probably the leader of the group, said according to the kidnapped persons: "We are no longer going to go hunger and therefore we want you to tell the persons who escaped from Kochane to give us something to eat. If they do not come back, we are going to have to go looking for them, one by one."

The bandits tried to brainwash the prisoners so that the latter, once released, would not inform the FAM as to their movements as well as the identity of persons who, under threat of death, are forced to serve as guides. This type of blackmail was applied to create a feeling of collective complicity among the kidnapped persons so that they would view their cooperation with the FAM as something dangerous to their own lives.

In spite of all their arrogance and threats, they did not fail to reveal that they were very hungry due to the lack of people living in the areas where they operate most frequently. They even said that "We like the people who we know have fled here. Tell them to come back because we do not have any food."

As we were able to see, the armed bandits are trying to exploit the fact that the people of Nsime have no experience with their criminal character, contrary to what happened in Mungazine and Majuba where the people adopted an effective self-defense posture which prevents any infiltration by bandits.

At a meeting which the political and military authorities, especially the latter, held with the local population, after the events on 4 and 5 July, it was possible to increase the awareness of self-defense. In this way, many young people volunteered to participate in patrol missions at night in cooperation with the FAM.

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MOZAMBIQUE

MANICA GOVERNOR HAILS PROVINCE'S AGRICULTURAL SUCCESSES

Beira DIARIO DE MOCAMBIQUE in Portuguese 26 Jul 85 p 5

[Excerpt] Corn production in Manica increased by nearly 7,000 tons during the period from 1977 to 1984. A total of 220 dams and reservoirs was built in this province to give an impetus to the growing of grains and to promote fish breeding. Also in the agricultural area, 11 agrarian cooperatives, with nearly 500 members, were created. Prominent among them is the Chinhamacungo one, considered a pilot, based on its level of organization. There is every indication that in this part of the country a substantial increase occurred in food production. This information was provided in the third portion of the speech delivered by the party's first secretary, Col Manuel Antonio.

After the proclamation of national independence, several changes took place in our province's economic and social areas.

In the marketed production of corn, a basic product for feeding the province's population, during the 1976-77 agricultural campaign we accrued an index of 1,430 tons, in contrast to the 8,241 recorded in that of 1983-84.

During these first 10 years of independence, we formed 11 agrarian cooperatives in the province, incorporating over 596 members. Of these, we stress the example of the Chinhamacungo cooperative, for its level of organization, currently constituting the pilot cooperative.

In the realm of implementing the party's directives, the following state enterprises were set up in the province, some resulting from the conversion of those taken over by the government in 1975, when their owners fled, and others created by our own state:

Manica Citrus Enterprise, whose productive activity is directed essentially toward exporting;

Manica Forest Industries State Enterprise (IFLOMA), engaged in the production of wood and other by-products, which, in addition to making a positive contribution to the national economy, created jobs for thousands of Mozambicans.

Manica State Tobacco Enterprise, whose production reached the highest indexes in 1980, owing to the workers' intense involvement.

Vineyard Production Unit in Manica, which started its first experiment in the 1980-81 campaign, with 20 hectares and which currently has 59 hectares in a phase of rising production. For the first time in the history of Manica Province we are locally producing wine in considerable quantity and quality.

State Milk and Dairy Products Enterprise, which attained a production of 476,000 liters in 1984, compared with 55,000 in 1981.

Manica State Agricultural Enterprise, responsible for supplying the province, and also supplying some of the country's provinces with poultry meat and eggs.

Meanwhile, in the area of cooperation with the GDR in the agricultural field, the province was made responsible in 1981 for ensuring the production of 80,000 hectares, out of a project involving 120 hectares, which produced an area of 4,218 hectares up until the 1984-85 campaign.

Also during this period, many other state enterprises were established with an effect on the national economy, of which we can mention, by way of example: Progresso, the Oil Factory and the Livestock Enterprise. All these essential units have contributed significantly to the improvement of the people's supplies.

This group of enterprises combined and the cooperative sector constitute one of the main bases of the socialist society that we are building at present.

In the Transportation Area

In the area of public transportation, despite various difficulties, a sizable improvement was achieved in the city of Chimoio, and in the connection with the district of Chimoio.

During the second decade, special efforts will have to be devoted to the problems of transportation in the rural area, where our population still travels hundreds of kilometers on foot.

To minimize the problems in the area of transporting goods in the rural area, during the past decade we built 317 animal hauled carts. This activity must be intensified on all levels, given the objective difficulties that we are undergoing currently.

One of the main conquests of our independence was the creation of the economic planning system, which now allows for the workers' participation in economic management.

The creation of the metical, an instrument for trade that is completely Mozambican, was a twofold blow to the enemy, which is holding large amounts of money outside the country, to be used for acts of economic destabilization.

The small projects in our province deserve special attention, in view of their importance to the immediate solution of the population's problems.

In this connection, some should be underscored, because of their economic value and significance, namely:

In Mossurize, the small coffee project, which is growing, with an area of 50 hectares;

The vineyard project in Manica, which is clearly progressing, and due to produce fruit by the next campaign;

The duck raising project in the poultry raising industry, which is being organized, and for which an incubator for 20,000 eggs has already been built locally;

A glue production project was created in the communal village of Chinhambuzi, in the district of Manica, the results of which will be positive.

The small project for raising animals of small species, of the Provincial Health Directorate;

The small foundry project in the city of Chimoio, for the manufacture of pots and pans, cups, plates and other household utensils;

A small project for fruit tree planting, wherein 83,572 fruit trees were planted, in particular: papaya trees, 17,000; mango trees, 16,212; banana trees, 27,073; litchi trees, 1,427; coffee trees, 2,475; and others in lesser quantities.

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MOZAMBIQUE

DROUGHT SITUATION IN INHAMBALE DECREASING

Maputo NOTICIAS in Portuguese 18 Jul 85 p 3

[Article by Arlindo Lopes: "If Solidarity Continues There Will Be No More Deaths Due to Hunger"]

[Text] "The drought situation in the province of Inhambane improved substantially in recent months but is still critical," said Governor Jose Pascoal Zandamela during a meeting held in the provincial capital with Information Minister of Ethiopia Feleke Giorgis who recently visited that part of the country. Toward the end of last month, the Ethiopian leader paid short visits to the provinces of Inhambane and Manica, after the celebrations connected with the 10th anniversary of national independence; he attended the central celebration in Maputo representing his government.

In addition to contacts with the first secretary of the party in the province and Governor Jose Pascoal Zandamela, and with other provincial leaders, Feleke Giorgis visited the kindergarten at Muele in the outskirts of the capital city, which houses some of the children who are orphans or who were abandoned in the worst state of nutrition due to the drought and the armed bandits; he also visited the rehabilitation center for victims of these two calamities in Pambarra and the future communal village of Mudumane, both located in the district of Vilanculo. Before returning to his country via Zimbabwe, the visitor inspected some economic projects in the province of Manica, especially the fruit crops (citrus crops) near Chimoio.

Inhambane was and is one of the provinces most hard-hit by the drought. According to official data, this calamity in October 1983 affected 751,587 persons or 80 percent of the total of 1,024,879 inhabitants of the province. At this time, according to Governor Zandamela, "Only 40 percent continue to suffer directly from the effects of the drought," which was the result of 5 consecutive years without rainfall. Vilanculo, Govuro, Panda, Funhalouro, Massinga, and Mabote are among the most hard-hit regions.

The drought had two phases in this province, from 1979 until 1981 and from 1982 until today. The first phase did not have the same disastrous effects as the last one with only 12 deaths during the year 1980. The first appeals for international solidarity date back to that period of time. There was some rainfall in 1981 and "farm output was the best ever during that year,"

according to Governor Jose Pascoal Zandamela, not only due to the rain, but also because of the distribution of seeds which was handled at the proper time.

But, starting in 1982, the situation became worse not only due to the lack of rainfall but also due to the appearance of another calamity: The armed bandits who at that time had just been driven out of their main refuges in the provinces of Manica and Sofala. Exploiting the absence of an effective defense setup, they invaded the province where they occupied the lagoons and fertile areas, burned motor pumps and villages, forcing the people to seek refuge in the towns. In addition to hunger, the survivors suffered from extreme exposure as they reached safe places.

To accommodate these persons, the authorities opened rehabilitation centers where the victims of hunger and war are collected in order better to distribute food and medical care. Most of these centers are located in Pambarra, about 20 kilometers from the Vilanculo district seat; more than 13,000 persons are being sheltered there. Food, clothing, shoes, and medications obtained due to domestic and international solidarity for the victims of these disasters were sent primarily to this and other similar centers.

After Hunger, Agricultural Rehabilitation

As Governor Zandamela put it, the situation at that time has improved considerably even though there are still some food shortages. The appearance of these persons, as we were able to see for ourselves, both in Pambarra and in Muele, has changed considerably. Now it is no longer easy to find signs of advanced malnutrition such as bloated bellies and emaciated bodies, as was disclosed widely in 1983 in the country and in the outside world through photos and television pictures. The situation has also improved from the health viewpoint although certain diseases, such as skin diseases, persist and even tend to get worse if adequate measures are not taken in time (see news item elsewhere on this page).

National and international efforts in this province are now aimed at agricultural rehabilitation. Or, as Jose Pascoal Zandamela said, "The government is engaged in the mobilization and motivation of the population toward agricultural production and the settlement of these people in areas with a proven potential." For example, about 2,250 former residents of Pambarra are now building their future communal village in Mudumane, about half a score of kilometers away from the old rehabilitation center. At the end of last month, within 60 days, they had already staked out 160 hectares. In its final version, the project calls for the reduction of the current 8,000 inhabitants of Pambarra to only 450 families.

On the other hand, these efforts are part of the second phase of the emergency program of the province which calls for the agricultural restoration of various regions. One of them is Macovane, 290 kilometers from the provincial capital and about 90 kilometers from Vilanculo, where there is also a social rehabilitation center for former armed bandits. In this region there are 20,000 hectares of fertile soil for agricultural production and animal

husbandry. Corn, beans, "mapira," "machoeira," soybeans, vegetables and fruits (citrus fruit), potatoes, and onions are grown here. Conditions are excellent for the production of cattle, hogs, and small animals.

In addition to agricultural restoration, the government program also calls for the following priorities: Repair of health stations and schools that were destroyed by the armed bandits, construction and maintenance of boats, manufacture of bricks, tools for small-scale shoe factories and farm implements. It is obvious that the implementation of this program is possible only due to the gradual but noticeable improvement of the military situation in the northern part of the province.

The international community is already concentrating its efforts on some of the above-mentioned projects. In Pambarra, for example, the EEC is using local materials to build an agricultural training center where officials from that sector in the villages of the Vilanculo district will in the future get basic training on the application of improved agricultural techniques. The EEC is also studying the idea of opening an experimental vegetable crop development center as we were told by an official from the European community in Vilanculo.

The improvement of nutrition in the region of Vilanculo is due not only to national and international solidarity. In 1984 and 1985, 50,000 hectares of land were opened. The rain in November and December of last year made it possible to plant some seeds. According to the authorities, these efforts had a positive effect. Something was produced although not enough to guarantee the subsistence of the people here, if the international community does not continue its support.

"If this support continues," said Joao Muchini, the party district secretary for party economic policy, "then we will have no more deaths due to hunger." This help comes not only in the form of clothing or food but also included other products, such as, for example, seeds. Out of the area cultivated in the past, in the district of Vilanculo, 1,770 hectares were not planted due to lack of seeds.

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MOZAMBIQUE

SECRETARY FOR AGRICULTURAL HYDRAULICS DISCUSSES PROJECT

Beira DIARIO DE MOCAMBIQUE in Portuguese 25 Jul 85 pp 8-9

[Interview with Agricultural Hydraulics Secretary Rui Fernando Mayor Gonzalez, by Paulo Maduco; July 1985 in Beira]

[Text] "Sofala's industrial equipment is extremely important to the implementation of irrigation in the country," remarked the state secretary for agricultural hydraulics, Rui Fernando Mayor Gonzalez, a few days ago in Beira, speaking with our newspaper in an exclusive interview. He added: "We find that in HIDROMOC [Mozambique Hydraulic Enterprise] there are scores of pumps, some of which were produced by Metecna, in this city. We shall study the use of this equipment in the next agricultural campaign, in cooperation with this first enterprise's headquarters, in Maputo."

The subject of our interview later disclosed: "Hence, we are working with the provincial agencies on the establishment of a program of activities for the development of irrigation in Sofala"; explaining that, "The main purpose of these contacts is to achieve self-sufficiency in food for this region, especially Beira."

Rui Gonzalez remarked: "Included in our plan is what can be accomplished over the short term, relying on external backing: the rehabilitation of Cotubo, for the production of irrigation pipes (the study of which has been in cooperation with the Ministry of Industry and Power) and the drainage of certain areas of Sofala for agricultural utilization"; also reporting that, "The introduction of irrigation is planned in Matuchira as well."

"Another priority job is food production in the Sofala sugar enterprises, which obviously require pumps and engines, and electric pumps, among other irrigation equipment. Both this and the other activities will be carried out by the Agricultural Hydraulics Group (in Sofala, most likely the IR-4 Project), whose activity will start with the already existing experience."

DIARIO DE MOCAMBIQUE: Mr State Secretary, the State Secretariat for Agricultural Hydraulics is a newly created agency associated with the Ministry of Agriculture. Could you tell us some of the main activities during this embryonic phase?

Rui Gonzalez: It is the task of the State Secretariat for Agricultural Hydraulics to give an impetus to the development of irrigation and, consequently, to food production in the country. Its activity will be carried out through the Ministry of Agriculture's provincial agencies.

Current Priority

During this first phase of its existence, as one of its priority tasks, the State Secretariat for Agricultural Hydraulics is responsible for obtaining financing for projects abroad.

We have already managed to collect \$100 million, money which, in addition to the purchase of pumps and engines, electric pumps and other irrigation equipment, will be spent to rehabilitate the industrial units backing irrigation, such as Ima, in Maputo, and Cotubo, in Beira.

DIARIO DE MOCAMBIQUE: Besides procuring investments, what are some of the other priority activities planned to increase food production?

Rui Gonzalez: One of the activities that is also a priority for SEHA [State Secretariat for Agricultural Hydraulics] is the training of technical personnel. This effort is being carried out in cooperation with the State Secretariat for Technical-Occupational Education. Concretely, it is being attempted to provide technical experience for individuals who will be working with the irrigated crops.

The first course to train agricultural recruiters for the state, private and family sectors will soon begin in Chokwe (Gaza). It is also planned this year to hold training courses for topographers and technicians, for the construction of irrigation systems.

Obviously, intermediate cadres will be trained for agricultural hydraulics.

Moreover, with the Ministry of Construction and Water we are working to provide raw material to HIDROMOC, to be used to produce various irrigation equipment.

UEM Graduates Going to Sofala

In addition, speaking of technical personnel, new cadres will be assigned to Sofala, who will work either on the construction of hydraulic infrastructures or on the distribution of irrigation equipment.

DIARIO DE MOCAMBIQUE: What is the degree of education of the new cadres who, according to the state secretary, will be going to Sofala?

Rui Gonzalez: They are engineer-technicians, some of who have had management courses, taken at the Veterans and Vanguard Workers School of Eduardo Mondlane University [UEM].

DIARIO DE MOCAMBIQUE: Since agricultural hydraulics is a field whereby an impetus could be given to agriculture, even during drought periods, how will it be extended to the other provinces?

Rui Gonzalez: As I have said, everything will start with the already existing experience. For example, in Cabo Delgado a small irrigation unit is operating, while in Gaza there is the Chokwe Hydraulics Enterprise, etc.

Something else that I should say is that, in at least half of the country's provinces, there are organizations engaged in hydraulic activity.

DIARIO DE MOCAMBIQUE: The recent communique from the Council of Ministers promises support to all sectors associated with food production, without distinction regarding ownership or possession. What assistance will be given to private farmers?

Backing to Private Farmers Will Not Be Charity...

Rui Gonzalez: The first thing that I must say is that, this backing to private farmers will not be given in the form of charity. What will be done is to provide the work tools for all sectors associated with the production of grains, oil seeds and green vegetables, among other farm products.

For example, in Maputo, Gaza and Sofala, the assistance will consist of turning over, through payment, pumps and engines and other irrigation equipment, as well as technical assistance in the form of service.

This year, three times the number of pumps and engines received in 1984 will be obtained. And when the Mozambican Steel Institute (IMA) goes into operation in Maputo, it will produce 10 times more irrigation pipes than were produced last year.

The manufacturers and merchants interested in making the distribution in various districts of Sofala, for example, will operate as agents for that equipment, with the cooperation of the Agricultural Hydraulics Group.

Recovery of Non-Mechanized Facilities, Cooperation with the Netherlands

Our reporter learned from the state secretary of agricultural hydraulics, Rui Gonzalez, that a project known as the National Program for Water Raising Apparatus is under way in the country, to develop non-mechanized systems for channeling water.

In addition to the installation, the project calls for the recovery of water mills, manual pumps, screw pumps, water wheels, water pumps and other non-mechanized apparatus considered important for irrigation.

To give an example, the source told us: "There are over 1,000 well sweeps (equipment for pumping underground water) installed in Tete, the rehabilitation of which must also be carried out to give an impetus to irrigation."

Rui Gonzalez also said that the implementation of the National Program for Water Raising Apparatus will be made possible in the context of the cooperation between Mozambique and the Netherlands.

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MOZAMBIQUE

ELECTRIC WORKERS TECHNICAL COURSES TO BE REVISED

Maputo NOTICIAS in Portuguese 18 Jul 85 p 8

[Article by Marcelino Silva: "Meeting of Specialists in Stockholm in August"]

[Text] The specialized training course program for technicians who operate electric power transformer substations for the Electric Power Company of Mozambique will be revised. The idea is to get a basic definition for their improvement and their adaptation to the objectives spelled out by the EDM [Electric Power Company of Mozambique] training center. Specialists involved in training at the Electric Power Company of Mozambique, the Electric Power Company of Portugal, and "SWED POWER" in Sweden will meet for this purpose in August in Stockholm to coordinate ideas along these lines as this newspaper learned from Bene Jose, chief of the EDM training center.

The need for revising specialized training course programs for technicians at substations comes as a response to some of the shortcomings observed in the first two courses in that special field. According to a source at EDM, most of the material provided during the first two courses is not in keeping with the country's current situation.

According to that same official, this is due to the lack of joint programming since, after the first two phases (basic and supplementary training), the preparation of programs for the final part was in the hands of specialists from "SWED POWER." Obviously, due to unfamiliarity with the country's situation, a part of the materials supplied was not in line with the objectives.

By way of laying the foundations that will be in keeping with current requirements, plans call for the inclusion, in the team that will go to Stockholm, of a supervisor, an operator, and a maintenance technician in electronics; all of them work at substations.

"They are the ones who know the ways of apprenticeship to be employed, the materials to supply, as well as the nature of maintenance work to be done. On that basis, we are confident that discussions to be held will make it

possible to resolve the current situation and this in turn will enable us to get more out of these training courses," said Bene Jose.

Why Coordination with Portuguese and Swedish Technicians?

The answer to this question can be found in the fact that training of technicians at EDM is being given by three parties with "SWED POWER" being the last, in other words, handling the specialized portion, for technicians operating substations.

On the other hand, sources at the EDM training center believe that the meeting to be held in August in Stockholm can help improve the training programs in general since this will be an opportunity for all parties involved in the drafting of manuals and other materials to find common ground for action.

According to that same source, the three parties will, at the end of the meeting, start preparing manuals and programs to be used in the specialized training course to be given early next year.

Third Specialization Course Next Year

Our reporter also learned that the third specialization course for technicians who operate substations will be started between March and April of next year. This course will be given by specialists from "SWED POWER," a Swedish enterprise which has been financing EDM technician training programs.

Specialists from that Swedish enterprise are working as advisers at the EDM training center. Plans also call for a course of specialized training for grid operators to be given next year. "This course is scheduled to start early in January and will be given by advisers from the Electric Power Company of Portugal who will work with us," the same source announced.

At this time, 19 workers selected from various operational areas throughout the country are taking a basic electricity course; in September or October they are scheduled to start supplementary training together with another nine trainees from the training center who in the meantime completed their basic training.

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MOZAMBIQUE

BRIEFS

CONSTRUCTION WORKERS RETURN FROM GDR--Several days ago, ten Mozambican workers returned to Mozambique after having spent 2 years of specialized training in civil engineering construction at the vocational training school of the construction enterprise of Gera, a city in the southern part of the GDR, according to the GDR news agency, the ADN [German General News Service]. One of the workers, Francisco Adriano Nhancale, who was born in Maputo, in addition to returning with a certificate as specialized worker, earned a decoration as "socialist labor activist" which was awarded to him during ceremonies marking the independence of Mozambique in the GDR. Nhancale was also honored with the "construction enterprise quality" medal, a decoration given by the enterprise. After learning German in February 1983, this group of Mozambican youths began to receive training at various construction projects of the Gera enterprise [Text] [Maputo NOTICIAS in Portuguese 18 Jul 85 p 8] 5058

BLANKETS FROM IRAN--Early Tuesday morning, the Islamic Republic of Iran offered Mozambique 100 blankets to support the children's recovery center at various points throughout the province of Niassa. The shipment was handed over by Iranian ambassador in Mozambique Ahmad Naghmeh at a ceremony held at the headquarters of AMASP (Mozambican Association of Friendship and Solidarity with Peoples) in the country's capital. The gift was accepted by the secretary-general of that solidarity organization, Abner Sansao Muthemba. Speaking during the ceremony, Ahmad Naghmeh said that the offer symbolized the solidarity of the Iranian people with Mozambique, adding that most of the blankets just delivered were offered by individual persons who found them in their homes. On the other hand, the Iranian ambassador in Mozambique expressed the desire for an exchange of delegations between solidarity institutions of both countries, saying that "It would be good for the exchange to begin now to swap experiences." AMASP Secretary-General Abner Sansao Muthemba in turn expressed appreciation for the Iranian gesture saying it demonstrates the fact that solidarity with the other peoples is not just an empty word. He promised that the blankets would be shipped on to Niassa, tomorrow, Friday. The photo illustrates the event. [Text] [Maputo NOTICIAS in Portuguese 18 Jul 85 p 8] 5058

CSO: 3442/377

NAMIBIA

SWAPO RADIO CALLS FOR SANCTIONS, MANDELA RELEASE

MB031337 Harare Voice of Namibia in English 1900 GMT 2 Sep 85

[Station commentary: "An Upsurge of Resistance in South Africa"]

[Text] Any person with human feelings would be moved by butchery, jailing and beatings of innocent Africans by the oppressive racist army and police in South Africa. Killing of Africans in South Africa has now become the order of the day. These atrocities, however, have given momentum to the political and military upsurge all over South Africa.

To show their indignation and hatred of the racist regime, the oppressed people of South Africa took to the streets to demonstrate and stage industrial strikes, boycott classes, and resist eviction from their homes. To these moves the regime reacted with a show of massive force. More people are killed. Some died while in police custody, and others are detained. At one time 19 people were killed on the spot during a funeral procession.

So far, the number of people killed in South Africa has reached more than 1,000, while several thousands are lodging in the jails. Some of them, and the leaders of the UDF [United Democratic Front] and trade unions are facing charges of high treason. It is obvious that more people will die in jail.

The fall of the Portuguese empire, mainly in Angola and Mozambique, and later on the defeat of Ian Smith of the then Rhodesia, shocked the South African regime so much that it resorted to the economic and military offensive against these young independent countries. Its aim has been to subvert, destabilize, and to topple the governments of these countries, as well as in other neighboring countries.

South Africa was not pleased with the political line taken particularly by the governments of Angola, Mozambique, and Zimbabwe. Inside South Africa itself, Botha late last year introduced the so-called presidential council--a devious idea calculated to win over some sections of the oppressed to its side with the aim of driving a wedge between the ANC and the masses while attempting at the same time to break South Africa's international isolation. As demonstrations and protests by the oppressed South African people increase and have wide-spread repercussions abroad, the regime has hastened up

the tinkering with the apartheid laws in order to preempt the imposition of economic sanctions against it. That is why recently the regime promised to abolish the mixed marriages act, the immorality act, and to grant limited rights to urban blacks to lease the land.

The reforms are unacceptable because they are just a small part of the monstrous strategy of the apartheid system. Other race laws such as the group areas act and the registration acts remain in force; therefore, these reforms are too little, and came too late. Thus, they will be forced with greater pressures until the apartheid system is completely dismantled.

In the white communities the signs are that some whites have realized the indispensability of the ANC participation in any deliberation aimed at bringing peace to South Africa. A survey carried out by the Human Research Council showed that 43 percent of whites are in favor of a dialogue between the government and the ANC. Another poll of black university students showed that they prefer Comrade Nelson Mandela to be the president of South Africa. One more point is that more young whites are refusing to serve in the racist army. Some of them went abroad and joined the committee on South African war resistance, which discourages young whites from joining the racist army.

Umkhonto we Sizwe [Spear of the Nation], the military wing of the ANC of South Africa, has proved its capability of attacking any target in the racist republic. This complemented by industrial action, is shaking the major sector of the oppressive and exploitative system. What is needed, therefore, is the stepping up of concrete international action by imposing economic sanctions against the racist regime, in order for Botha to allow the oppressed people of South Africa to elect the government of their own choice.

Once again in these events, they asked for the release of Comrade Nelson Mandela together with his comrades unconditionally. The regime's conditional release offer that Mandela would be free if he denounced violence was not only an insult to him but also to the whole people of South Africa. He was right to reject this offer outright by saying: I am not prepared to sell the birthright of the people to the regime. Clearly, it was a rebuff to the racist regime.

These new political militant developments have shown the oppressed people's high political consciousness and the resolve to use all their concerted efforts to resist the racist regime's attempt to divide them. Thus, the writing on the wall for the racist regime of South Africa is that a complete change in that country is inevitable. Forward with the spear of the nation.

CSO: 3400/1029

NAMIBIA

TENSIONS WITHIN MPC TRANSITIONAL GOVERNMENT EMERGE

London AFRICA CONFIDENTIAL in English 31 Jul 85 p 7

[Text]

The tensions within the Multi-Party Conference (MPC) transitional government have now emerged (AC Vol 26 No 15). There is even a possibility that the *National Party* (NP) will be withdrawn in the near future. Due to opposition from NP chairman **Kosie Pretorius** and his vice-chairman **Eben van Zijl**, who is in the MPC cabinet as minister of agriculture, water affairs and sea fisheries, the MPC has been unable to formulate a public declaration on the future of the discredited second tier ethnic representative authorities for each of the country's 11 officially classified ethnic groups. Both the president of the *Swanu* moderate faction, **Moses Katjiuongua**, the minister of manpower, national health and welfare, and *Swapo-Democrat* president **Andreas Shipanga**, the minister of mining affairs, commerce, nature conservation and tourism, have already hinted that they may resign if an early declaration of intent to abolish the ethnic authorities in their present form is not made.

Dirk Mudge, the *Democratic Turnhalle Alliance* (DTA) chairman and minister of finance and government affairs also supports an immediate change, and has suggested the authorities could be reconstituted as cultural associations along the lines of the *German Interessengemeinschaft* (IG). But this compromise is unpalatable to the NP, and Pretorius is claiming that separate development is enshrined in the MPC's Bill of Fundamental Rights, which was promulgated as part of the proclamation establishing the MPC administration. As head of the white ethnic authority, Pretorius is well placed to frustrate moves to rescind Proclamation AG8 of 1980, which set up the ethnic authorities, as well as the opening of schools to all races, while van Zijl sees his main ministerial role as protecting white farming interests. This means that land reform also will receive a low priority. Although the proclamation formally establishing the eight-member MPC cabinet and 62-member legislature makes provision for a limited veto power by the new administrator general **Louis Pienaar**, it reserves full veto powers to the South African President **P.W. Botha**.

The consensus basis adopted for all binding MPC cabinet decisions and the rotation of the chairmanship on three-monthly basis in alphabetical order has also strengthened the hand of the NP for the time being. First chairman **Dwavid Bezuidenhout**, chairman of the coloured ethnic authority executive committee and social services.

Katjiuongua is next in line for the chairmanship, but is not due to take over until December, by which time it may be too late to restore the MPC's political credibility. However the *Swanu* leader is determined to force through the abolition of AG8 plus other moves that the NP will oppose as forced integration and if a split has not already occurred, the NP's continued participation beyond the end of this year looks unlikely •

CSO: 3400/951

NAMIBIA

BRIEFS

NEW WEEKLY NEWSPAPER--Windhoek, 30 Aug, SAPA--The first edition of a new weekly newspaper, THE NAMIBIAN, appeared in Windhoek today after the publishers deposited R20,000 for its registration. The SWA/Namibian transitional cabinet met on Wednesday to review the deposit at the request of the publishers, but decided to sustain an earlier cabinet decision. The deposit was levied in terms of the Internal Security Act, which empowers the cabinet to require a newspaper to pay a maximum deposit of R40,000 before registration if it is not satisfied that a newspaper will not be banned at a future date. To produce the newspaper, "the amount has been paid without prejudice, but the newspaper's attorneys will take the matter to court in order to apply that the decision be set aside, THE NAMIBIAN reported today. In its first editorial, the paper said it would follow an independent editorial policy and support internationally acceptable independence for the territory as embodied in UN Resolution 435. It would strive "to achieve a greater flow of information and open debate," the editorial stated. The newspaper would also be running a training project for young SWA/Namibian journalists, it said. [Text] [Johannesburg SAPA in English 1020 GMT 30 Aug 85 MB]

CSO: 3400/1029

NIGERIA

BANKS VIGOROUSLY COMPETE FOR COUNTERTRADE ESCROW ACCOUNTS

Lagos BUSINESS TIMES in English 5 Aug 85 p 1

[Article by Yemi Adeniran]

[Text] BUSINESS TIMES investigation has revealed that financial institutions in Nigeria vigorously competed to be Escrow banks under the countertrade agreements.

The interest shown by the banks according to our source in ICON Merchant Bank, was due to the advantages accruing to agent banks under the countertrade arrangements.

Apart from commissions from deductions made on the opening of letters of credit, profits were also being made by the banks in terms of confirming fees, our source said.

Moreover, the source contends, it boosted the image of the banks locally and internationally as recognised and reputable among the lot because they are "one of the few chosen." While at the same time making it possible for the banks to keep their traditional customers.

Our source further revealed that with the appointment of United Bank for Africa, UBA as the agent bank under the first countertrade agreement between Nigeria and Brazil last year, because it had a New York office which could serve as a clearing house, other banks in the country lost their customers, who were interested in the countertrade agreements to UBA.

This, our source said, made other banks kicked against the monopoly enjoyed by UBA. They made representation to the Federal Government, which later approved that, companies with letters of credit under the countertrade agreement could open their account with any Nigerian bank.

Presently, apart from the UBA, other banks chosen as escrow banks by the Federal Government are, ICON Merchant Bank, for the Nigerian-Australian agreement, International Bank for West Africa, IBWA for the French connection and Savannah Bank for the Italian transaction the source revealed.

According to the financial expert, Nigerians need not have any fear over the dumping of inferior goods on her market by the companies concerned because preshipment inspectors are still around to inspect every item that comes into the country under the countertrade agreements.

BUSINESS TIMES also gathered that proper care has been taken by the government to forestall any breach of the countertrade by all parties involved.

Nigeria he said, stand to gain from the agreement because necessary raw materials for our industries will flow in, and improve the deteriorating employment situation in the country.

In addition, our source opined that, since the agreement does not allow for maximum importation of raw materials, industries will be forced to look for local sources of raw materials to augment imported ones. This he argued, will have positive impact on the economy.

But he cautioned that, Nigeria should only see countertrade as a short-time measure which will give her a breathing space to adjust economically. At least "not to be strangulated."

The first countertrade agreement was signed between Brazil and Nigeria in September last year. It is worth \$500 million about N450 million in oil supply to Brazil. While in return, Nigeria will get industrial raw materials, equipment, spare parts, food and knock-down vehicle assembly kits from Brazilian volkswagens.

CSO: 3400/945

NIGERIA

STATISTICS, CAUSES OF UNEMPLOYMENT EXPLORED

Enugu DAILY STAR in English 29 Jul 85 pp 8-9

[Article by David C. Ojeli]

[Text] Unemployment may be defined as a situation in which a person has no substantial source of earned income, is looking actively for work, will accept a job at the going wage, and has been unable to find work! Although this definition seems to have little relevance to an economy in which the majority of the labour force is self-employed, it highlights the importance of wage employment.

The problem of unemployment in this country has become so colossal that even the statistical juggling of government agencies can no longer hide its crisis dimension. It is not only major social problem, but a national disaster demanding emergency action.

Official statistics put the unemployment figure at about six million, representing about 17 percent of the labour force, which the National Manpower Board estimated at 34.90 million in 1983. The labour force is about 37 percent of the population estimated at about 94 million in 1982. The Board had projected a 1.72 percent increase in the total labour force in 1984, from 1983 figure of 34.90 million to 36.50 million.

By sectoral distribution in 1983 about 58.3 percent of the labour force of 20.3 million were in agriculture; 18.0 percent or 6.3 million in manufacturing and processing; 15.7 percent or 5.5 million in distribution. The Services Sector accounted for 5.6 percent or 1.95 million of the work force, and 1.2 percent or 0.4 million in Building and Construction Sector. About 1.2 percent of the work force were engaged in Mining and Quarrying, electricity and gas.

Retrenchment

The unprecedented retrenchment of workers in both public and private sectors of the economy during the past two years is likely to have distorted these figures and exacerbated unemployment. Perhaps the greatest casualties come from the services, manufacturing and processing, distribution and the building and construction sectors.

Statistical returns from the Federal Ministry of Employment, Labour and Productivity, showed that registration at the Employment Exchange Centres in January and February, 1984 increased by 6,638 or 22.5 percent over the 30,624 figures for December, 1983. This high increase is attributable to the rush by retrenched workers seeking scarce or rather nonexisting fresh employment.

The extent to which the ongoing retrenchment exercise has worsened the unemployment situation in this country can be seen from the increase of about 40 percent recorded by the Employment Exchange Centres over a period of six months in 1984.

The causes of unemployment in Nigeria may come under the following headings:

1. Colonial/foreign factor,
2. National policy,
3. Educational system,
4. Social factor,
5. Cultural factor,
6. Neglect of the rural areas,
7. Pattern of investment,
8. Effect of wage employment,
9. Lack of incentive,
10. Poor and unreliable information,
11. Failure to mobilise capital,
12. Lack of vocational counselling, and
13. Attitudinal factor.

Colonial/Foreign Factor:

As a former British territory, Nigeria served as an "export enclave" for the West, providing raw materials for British industries. The economy is dependent on the economic systems of the developed nations of the world and integrated into the capitalist system of the West. The capitalist countries use their great influence, wealth and trading companies to dominate, control and manipulate the Nigerian economy. Thus, the economy is characterised by exploitation, cut throat competition and fraudulent practices for monopolistic control and domination of the market forces, and the inequitable distribution of the nation's wealth.

National Policy:

Regrettably, twenty-five years after independence the economy is still characterised by dependence, nondiversification, instability, inflation and poverty. Successive governments have failed to evolve any meaningful policies aimed at extricating the economy from foreign control, and creating employment. Instead, some of the rulers and their collaborators seemed to have served as 'agents of foreign control and domination.' Planlessness, greed and avarice were the order of the day.

Unrealistic plans and frustrated programmes weakened the economy and reduced employment opportunities. Worse still, tribal politics threatened national unity and impeded labour mobility. In some cases, foreigners were preferred to indigenes, thus exacerbating unemployment.

Employment policies, where they existed, were rarely given serious attention. Some policies, like the current retrenchment exercise, are counterproductive, and have a debilitating effect on the economy.

The N.Y.S.C., though a progressive programme, tends to promote unemployment by providing cheap and regular labour to employers who may not be keen to employ permanent staff as long as the scheme exists.

Educational System:

The importance of education cannot be overemphasised. Without knowledge, skills and expertise, natural resources are inert and of little value. Unfortunately, the educational system inherited from the British places undue emphasis on paper qualification rather than on acquisition of skills. As a result, products of formal education were generally ill-equipped to work in the industries. This lack of technical and vocational education is the main cause of high rate of unemployment in this country. The problem today is no longer one of unemployment but one of educated unemployment particularly of youths and graduates.

Neglect of the Rural Areas:

About seventy percent of the nation's population live in the rural areas. Yet, these areas lack infrastructure and social services. This neglect of the rural areas gave rise to a high rural-urban drift, with the attendant problems of urbanisation and utter neglect of Agriculture.

Young men who could have provided the much needed labour in agriculture are attracted to the urban areas in search of nonexisting jobs.

Pattern of Investment:

At times political factors influence the location of industries in Nigeria. This has led to the failure of many enterprises at the infant stage.

Also, investments seem to be concentrated in "services" and not in "production," thus slowing down industrial expansion. Attempts to indigenise the economy has not quite improved the situation as the urge for "quick and easy money" influences the decision to become a "Distributor" instead of a "Manufacturer."

Effect of Wage Employment:

Until recently when the wave of retrenchment swept across the public and private sectors, wage employment was regarded as the ultimate goal of the

educated citizens. Few people considered it proper to apply their knowledge and skills in self-employment, particularly with the prospects and attractions offered by regular salary and fringe benefits. Those who could not find jobs on leaving school, preferred to wait for the "lucky day" instead of soiling their hands in "dirty" work.

Today, the old order has changed yielding place to a situation where wage employment, particularly in the public sector, is becoming increasingly, unattractive. It is hoped this new trend will have a "reverse" effect on choice of employment.

Lack of Incentive:

The importance of the informal sector of the economy cannot be underestimated. It is the hub of the economy in most developing countries.

Unfortunately, this important sector appears not to be getting enough encouragement from the Government. Instead of providing incentives such as infrastructure, business spaces e.g. Junk yards, Mechanic workshops, Vulcaniser's sheds, and lock-up shops for real traders, those who engage in such gainful endeavours are occasionally harassed and embarrassed with ejection orders, etc. without providing alternative sites.

Poor and Unreliable Information:

The failure to conduct a successful census and the dearth of reliable information on the country makes planning difficult. Plans based on guesswork are less likely to be achieved.

Apart from reliable statistics for planners, information on the nation's investment potentials should be made readily available to investors as failure to do so impedes investment and creates unemployment.

Failure To Mobilise Capital:

It is no longer a secret that some citizens of this country are fabulously rich. Until recently when some State Governments embarked on launching various forms of Development projects no serious attempt was made by government to mobilise local capital through appeals for donation to Development Funds. Instead, foreign loans were sought and obtained under dubious terms.

Furthermore, suspicion and lack of trust amongst the indigenous capitalists prevented the establishment of large combines that could create many jobs. While fear of political instability influence their decision to invest overseas and create foreign bank accounts.

Attitudinal Factors:

Individual characteristics of the unemployed themselves contribute to the unemployment situation. Preference for a particular job, such as white

collar to manual and industrial could mark the prospect of employment. The same is true of reluctance to work in a rural area and outside one's home state. These and other prejudices hinder employment in this country.

Conclusion:

Although unemployment is a worldwide phenomenon, it is more serious in some countries than in others. Nigeria is one country with a high rate of unemployment. This is mainly due to neglect of Agriculture.

Governments of many developing countries have identified unemployment as a major problem, and have included some kinds of employment objectives in their Development Plans. Few, however, have made any substantial progress in applying appropriate strategies that will enable these objectives to be achieved.

Sadly enough, some have even adopted antiemployment measures, and thus worsen the unemployment situation.

Obviously, governments alone cannot solve the unemployment problem. But no government should exacerbate the problem if it cannot solve it. The essence of government, I think is the welfare of the people.

The problem should be tackled from all fronts.

CSO: 3400/945

NIGERIA

POLICE COMMISSION NEW TWO-WAY RADIO NETWORK

Lagos DAILY TIMES in English 30 Jul 85 pp 1, 3

[Text]

LACK of effective communication system had often prevented the police from responding quickly to complaints or emergencies. Major-General Tunde Idiagbon said in Kano City yesterday.

He said critics did not know of this communication handicap and so went on heaping blames on the police for being slow.

General Idiagbon, talked about the communication problem when commissioning the two-way Ultra-High Frequency (UHF) police radio network for the Kano metropolis.

The UHF radio network installed by the Afro-American International Company Nigeria at over N3.4 million has six channels and hand-held telephone facilities with a range of about 100 kilometres.

General Idiagbon, who is also the chairman of the Police Service Commission, hoped that the new radio would bring the desired benefit to Kano State, raise police performance and restore public confidence in the force.

With the radio network, he said, the police should be able to expedite the collec-

tion and dissemination of vital information from all parts of the Kano metropolis.

"Effective and optimum use should be made of the radio network in traffic control, co-ordination of beat and vehicular patrol and a smooth flow of traffic in the peak hours" he requested.

The chief of staff said despite the poor health of the economy, the Federal Government would support the police so that it could protect life and property.

He said as the government placed a high premium on the operational effectiveness of the police, it would finish work on other radio networks and also install police radios in Abuja and states that have none.

General Idiagbon condemned the current national habit of clamouring for new things and the disregard to maintenance of equipment.

He observed that expensive and sensitive equipment were installed only to be discarded and replaced at the slightest excuse.

The attitude, he said, had led to blameworthy wastes of scarce resources which could had been more productively utilised.

CSO: 3400/943

NIGERIA

GAMBARI SUGGESTS NEW FOREIGN POLICY DIRECTIVE LIKELY

Lagos DAILY TIMES in English 31 Jul 85 p 17

[Text]

NEW directions in Nigeria's foreign policy may emerge at the end of the ambassadors seminar which begins in Jos today.

The Minister of External Affairs, Dr. Ibrahim Gambari gave indication of the likely new directives when he spoke to our correspondent.

Dr. Gambari said that decisions taken seminar would be collated and made available for discussion within the ministry for eventual implementation by the government where new "directions" may be indicated.

He said that the seminar will enable the External Affairs Ministry to take stock of things, adding: "I believe that it is very good for us to sometimes, periodically, sit back and reflect on what we are doing."

Nigerian ambassadors will mix with one another and with officials at the head quarters for the first time during the seminar.

"We will discuss the trends of our foreign relations and some of the administrative problems

that they encounter out there.

"We will in turn brief them on developments at home and in terms of our international outlook and perspective".

Dr. Gambari said the ambassadors will be briefed on the country's effort towards the independence of Namibia or acceleration of the downfall of apartheid as well as our efforts to bring about peaceful resolution of the Western Sahara conflict now that we have recognised the Sanarawi Arab Democratic Republic (SADR).

Dr Gambari said that the lecturers at the seminar would be drawn from among the ambassadors themselves.

He said that this type of seminar had not been held for about three years, adding that it was decided that it would now hold every two years, at home. It was formerly held regionally.

The ambassador will visit Abuja and Ajaokuta Steel complex.

CSO: 3400/943

NIGERIA

IDIAGBON SAYS IMPORTATION OF FOOD MUST STOP

Kaduna NEW NIGERIAN in English 31 Jul 85 pp 1, 3

[Article by Yusuf Ozi Usman]

[Text] NIGERIA must put a stop to the importation of food, the Chief of Staff, Supreme Headquarters, Major-General Tunde Idiagbon, has said.

He said the target of government was to halt food importation and that we should work hard to sustain it.

General Idiagbon made these remarks on Sunday when he visited Anadariya Farm about 80 kilometres from Kano on the Jos Road immediately on arrival to Kano to begin a three-day official visit which ended yesterday.

He said when they took over, they found that apart from the battered economy, there was virtually no food for the people.

The Chief of Staff added that the little money the government met in the treasury was used in importing food to feed the

population as a temporary measure.

He pointed out that one of the efforts being made to ensure early achievement of self-reliance and self-sufficiency in food production was the re-organisation of the Federal Ministry of Agriculture to cater for all category of farmers.

Major-General Idiagbon reiterated that every assistance would be rendered to farmers so that the call on the people by the government to go back to land could be meaningful.

He said what he had seen in Anadariya Farms was a perfect reflection of what this government wanted to achieve in agriculture.

He said the name Anadariya which in English means smiling was commensurate with what he had seen on the farm, adding "we are really smiling and happy at what we have seen.

Major-General Idiagbon congratulated the chairman and management of the company for their efforts in boosting food production in this country.

Earlier, the Chairman of

Anadariya Farms Limited, Alhaji Usman Sanusi Dantata told the visitors that the farms were established in the 1960s and were later incorporated into a private liability company and a fully owned subsidiary of Dantata Holding Limited.

He said the company's Poultry Division achieved production of 15,000 table eggs per day, 80,000 day-old chicks per week and 800,000 different age group birds.

Alhaji Usman said the company would soon commission its modern hatchery with a capacity of 100,000 birds per week. He said within the next three weeks, the egg layer birds would start laying 70,000 table eggs.

The chairman hinted that during the current season, they had successfully completed planting on about 6,000 acres of farmland, adding that out of this acreage, sorghum represented 70 per cent and sunflower 20 per cent.

He said while plans were on to set up similar farms in other states, the company was sure of attaining self-sufficiency in its feed needs which saved the country about 3 million Naira, in foreign exchange.

CSO: 3400/944

NIGERIA

DAVID-WEST DENIES REPORTS OF CANADIAN COUNTERTRADE AGREEMENT

Lagos DAILY TIMES in English 2 Aug 85 p 1

[Text]

PROF Tam David-West, Nigerian Minister of Petroleum and Energy, has categorically denied reports that Nigeria signed a counter-trade agreement with Canada involving 100,000 barrels of crude a day.

In a communication sent through the OPEC secretariat to all OPEC ministers, Prof. David-West dismissed the story as "false and without any foundation of iota of truth".

The minister assured his colleagues that he had "checked with the Commander-in-Chief and the Head of the Federal Government" and was in a position to state categorically that no such deal had taken place.

He reiterated Nigeria's solidarity with OPEC and described the country as "among the most

disciplined in OPEC".

He said that "Nigeria still identifies itself with OPEC solidarity without derogation of our sovereignty and, as I have often argued, the two interests are not antagonistic but complementary".

And speaking in Lagos with Mr. J.S. Jennings, exploration and exploration co-ordinator of Shell International, Prof. David-West hailed the decision of OPEC at its recent ministerial meeting to instil discipline among its member nations.

He said it was noteworthy that the organisation, for the first time in history included in a communiqué at the end of its meeting the unanimous decision that there

must be discipline in the organisation.

"This is so because the increase in the volume of crude oil in the world market and the attendant fluctuations in price, is caused to a great extent by indiscipline among members of the cartel."

Professor David-West said he had no regrets about the outcome of OPEC's last meeting, because the adjustment in the prices of crude was the best the organisation could do in the prevailing circumstances.

Replying, Mr Jennings told the minister that after visiting his company's establishments in Warri, Port Harcourt and Bonny, he was impressed with Shell's performance in the country.

CSO: 3400/942

NIGERIA

IDIAGBON ANNOUNCES FORMATION OF RAW MATERIALS COUNCIL

Kaduna SUNDAY NEW NIGERIAN in English 5 Aug 85 pp 1, 3

[Article by Nkem Agetua]

[Text] **CHIEF of Staff, Supreme Headquarters, Major-General Tunde Idiagbon, has said that the Federal Military Government has approved the establishment of a raw materials research and development council.**

General Idiagbon told the Radio Nigeria current affairs programme *Matters of the moment*, that the council would be made up of representatives from both the public and private sectors of the nation's economic life.

He said the council would not only serve as a clearing house for researches on raw materials but would also direct and fund research needed by industries and the economy generally.

General Idiagbon said that the council would also draw up time schedule for phasing out

the importation of raw material that could be secured locally.

On the funding of the operation of the council, the chief of staff said that government has set up a committee to work out the modalities for raising funds for its various functions.

He reiterated government's commitment to redress the policy of import substitution hitherto pursued by previous administrations, which encouraged the establishment of industries that tended to depend wholly on imported raw materials and machinery with little or no local value added.

General Idiagbon disagreed with a suggestion that a raw materials development bank should be set up to enable industrialists obtain loan from it to produce local substitutes.

He said that "the call for a raw materials development bank was not considered to be the solution to the problem of wholesale dependence on importation of both finished goods and industrial raw materials."

He said there are banking and other financial institutions that could finance any worthwhile venture.

On criticism that only big-time farmers get loans from banks to the detriment of small-scale farmers, the chief of staff said it was not true.

He said that there were several policies, schemes and programs

which the federal and state governments have evolved to ensure that no category of farmers were unduly hampered owing to a paucity of funds.

"Every year, budgetary provisions are made by banks for the agricultural sector and any bank that fails to comply with the stipulated sectoral credit allocation to agriculture forfeits the relevant funds to the Central Bank," he said.

The Chief of Staff further pointed out that the Central Bank in turn passed such funds to the Nigerian Agricultural and Cooperative Bank for lending to farmers.

General Idiagbon then disclosed that every collateral for loans to small-scale farmers has been removed in many cases, and a moratorium of between one and eight per cent has been introduced for loans taken by farmers engaged in both small- and large-scale farming.

He expressed the hope that when the agricultural insurance scheme takes off, the prospects of easier access to bank loans by small-scale farmers and other categories of farmers would be further enhanced.

General Idiagbon said that in view of the level of education of most small-scale farmers, more attention would be given to public enlightenment campaign in respect of bank loan facilities available to this category of farmers.

NIGERIA

GOVERNMENT MEASURES ATTRACTING AGRICULTURAL INVESTORS

Kaduna NEW NIGERIAN in English 7 Aug 85 p 11

[Text] There has been a "tremendous upsurge" in the number of local and foreign firms wanting to invest in agricultural production in the country, the Permanent Secretary and Executive Chairman of the Nigerian Enterprises Promotion Board, Dr Chukwuemeka Ezeife, said in Lagos on Monday.

He told the NEWS AGENCY OF NIGERIA (NAN) in an interview that "the records have shown that in agriculture, many people are coming in due to the repeated emphasis" which government actions and pronouncements have accorded the sector.

Although he gave no figures, Dr Ezeife said that the government's current attitude toward agriculture "has attracted more firms" into the sector than at any other time.

An allocation of ₦1.06 billion, representing 18 percent of the total estimated capital expenditure for the year, was made to agriculture in the current budget.

Last year, the government considered as an incentive, increasing to 80 percent the equity participation allowed foreign firms wanting to invest in agriculture, but has so far retained the 60 percent allowed foreign firms under the 1981 amendment to the Enterprises Promotion Decree, Dr Ezeife said.

He added that most of the foreign firms seeking to invest in agriculture had no serious objection to the 60 percent limit, rather, what they brought was "a package of incentives."

He said that the issues over which investors had expressed concern had to do with the procedure for registration, land acquisition, importation of equipment and some agricultural inputs, repatriation of capital and control of management.

In a related issue, the agricultural attache at the U.S. Embassy in Lagos, Mr Christopher Goldwait, told NAN in a telephone interview that about 20 U.S. companies were "looking seriously" at the possibility of investing in Nigerian agriculture.

The companies which he described as "very, very interested" are involved in areas such as feedmilling, poultry production, and rice and corn growing.

"One or two are looking at new areas in livestock such as pork production," Mr Goldwait said, adding that in many cases, the agricultural projects were near the take-off stage.

But he said that there was no direct U.S. Government assistance through its agency for international development, except in such cases as provision of funds to the International Institute for Tropical Agriculture, Ibadan.

CSO: 3400/943

NIGERIA

HIGH CONSUMER PRICES MAKING CHICKEN CONSUMPTION A LUXURY

Lagos BUSINESS TIMES in English 5 Aug 85 p 7

[Article by Vicky Ngozi Ikeano]

[Text]

LIKE rice which in the days of yore used to be eaten by most consumers once in a blue moon, chicken is now fast becoming for the majority of consumers, a product that is to be eaten only on festival occasions.

This is as a result of its skyrocketing prices which has pushed the commodity out of reach of many. Thus whilst rice a once 'luxurious item, is now 'common', being eaten by all and sundry, chicken on the other hand has become a luxury commodity.

And yet some few years ago, during the Murtala Muhammed regime, chicken consumption was quite popular as the mass importation of processed

chickens which resulted in their rock bottom prices (N2 - N2.50) made them within reach of many.

The poultry industry also thrived at this period (in the late 70s and 1980) with many entrepreneurs rushing into that line of business and consumers being the better for it price-wise. That was in the boom era.

With the advent of austerity in 1982, the 'honeymoon' for the industry was over with many poultry farmers abandoning the trade. The 'hard times' manifested itself in the increasing cost of inputs, particularly feeds. This was passed on to consumers by way of higher prices of chickens and eggs. The result was a drastic drop in patronage.

The poultry industry suffered one of its worst setbacks last year and as those in the industry confirm, about half of the enterprises within the industry have folded up while those which are still around are battling with increasing cost of inputs (raw materials).

Hence whereas some years ago live chickens sell for an average of five naira, today the cheapest is ten naira. Eggs which used to retail for between ten kobo and 15 kobo now goes for 30 kobo and 40 kobo whilst a crate now costs nine naira, from its former price of three naira.

As stated earlier, the major problem in the poultry industry is that of raw materials. Most of the raw materials, particularly feeds like maize are available locally.

However, as Dr. Kehinde Ladipo, managing director of Lassibi Mills pointed out, the industry was growing at a faster pace than local production of grains hence the inadequacy of maize for the industry and the current slump, resulting from import restrictions.

Maize is also used for the preparation of some staple foods across the nation. Thus there is a stress on both supply and the farmers who have to produce for the increasing needs of

both human and animal consumption. There is also the issue of selectivity as poultry farmers prefer yellow maize, for according to them the yellow type is richer than the white type for use as feeds.

The menace of drought as well as inadequacy of fertilizers and herbicide (most of which are yet to reach the farmers) are some of the factors presently militating against production.

According to the Poultry Association of Nigeria, the industry needs about 900,000 tonnes of maize yearly for the production of feeds for poultry birds while local maize harvests is put at about 300,000 tonnes giving a shortfall of 600,000 tonnes.

Last year the government imported some 200,000 tonnes of yellow maize for feedmills as a 'stop-gap' measure. Local prices of maize have been rising, increasing from N130 per tonne in 1973 to N300 per tonne in 1983 and about N600 per tonne in 1984. Currently a tonne of maize sells for about N700 and N800.

Our research institutes have developed some ration feeds from agro-by-products. However, as one expert noted: "feed cost even with the least cost

rations based on utilization of agro-by-products is still far too high."

Poultry farmers also accuse feed-millers of producing under-nourished and unwholesome feeds while feed millers in turn complain that imported raw materials are cheaper than locally available ones. Layer feeds which used to cost N3.50 now cost N6.50 per tray.

Another problem is that of day-old chicks. In the boom era, Nigeria used to import about 12 million of them every year. The country produces about 700,000 day-old chicks every month (giving a total of 84,000 per year) whereas she has hatchery capacity for 2.7 million day old chicks per month.

It was with the view of alleviating this problem that the National Poultry Production Company was established sometime in 1980. The company imported some 4,630 day-old chicks in March 1983 and another batch of 4,630 early last year. But as with all sectors of the economy scarcity of foreign exchange has been the constraining factor.

Another problem facing the poultry industry is that of production of animal health products with regard to drugs and vaccines. In

recent times however, the Nigerian Veterinary Research Institute in Vom, Plateau State, seems to have been able to live up to expectation, so to speak, as a result of the slack in poultry production.

For example, the Institute last year produced 108.3 million doses of animal vaccines. Of this number 77.6 million doses (about 73 per cent of the total production) were for poultry. However, only 57.4 million of the doses were issued out due to the shortfall in poultry

production.

Nonetheless poultry farmers have been calling for the decentralisation of the activities of the Nigeria Institute of Veterinary Research suggesting that there be branches in the states, in order to make its vaccines and drugs more accessible to the majority of poultry farmers.

Going by the current trends, prices of chickens and eggs would continue to be on the rise until the scarcity of local raw materials for the poultry industry ceases considerably.

PROJECTED SUPPLY, DEMAND OF POULTRY AND EGGS 1983 - 1985 ('000 TONNES)

POULTRY

	Demand	Supply	Shortfall	Percentage
				Shortfall
1983	110.74	75.99	34.75	32.55%
1984	114.90	77.56	37.34	32.55%
1985	119.23	70.75	39.48	33.11%

EGGS ('000 TONNES)

	Demand	Supply	Shortfall	Percentage
				Shortfall
1983	307.77	279.95	27.81	9.03%
1984	319.36	284.78	34.58	10.83%
1985	331.42	287.75	43.67	??

* Source: Federal Livestock Dept.

NIGERIA

AFRICAN PETROLEUM PLANS FUTURE DEVELOPMENT

Lagos BUSINESS TIMES in English 6 Aug 85 p 3

[Article by Ted Odogwu]

[Text] African Petroleum Limited in spite of difficult economic conditions recorded a turnover of N239,566,000, for the 1984 trading year under review against the N250,128,000 it achieved the previous year thus representing a drop of 88.2 percent.

Chairman Alhaji Alarape Salman unfolded these facts while addressing shareholders, during the company's Sixth Annual General Meeting held last week at the conference hall, National Theatre Iganmu.

According to the chairman, profit before tax dropped from N22,099,000 to N21,189,000 while profit after tax increased from N11,927,000 to N12,737,000 thus representing a drop of 75.8 percent and increase of 102 percent, respectively.

Furthermore, the chairman, disclosed that the company has resolved to conserve its reserves in view of the present economic situation adding that this policy will enable the company generate internal fund for future expansion.

A dividend of 10 kobo per every fifty kobo share was recommended and approved for payment to the company's shareholders and is subject to deducting tax of 15 percent.

The company paid N8,452,000 as tax for the 1984 year under review against the N10,172,000 it paid in 1983, while retained profit on the other hand increased from N5,964,000 in 1983 to N6,737,000 in 1984.

On future development, the chairman stated that the company's green sites in its land bank list are being screened for that purpose.

CSO: 3400/945

NIGERIA

CRUDE OIL EXPORTS RISE BY 53 PERCENT

Lagos DAILY TIMES in English 1 Aug 85 p 13

[Text]

CRUDE oil exports from Nigeria to other African countries went up by 53 per cent from 8,759 million barrels valued at ₦180.7 million in 1983 to 15,851 million barrels at ₦346.5 million in 1984, according to statistics on the directional flow of Nigeria's 1984 crude exports.

In proportion to the rest of the world, African countries took in 3.9 per cent of Nigeria's total crude exports last year, up from 2.2 per cent in 1983. The largest buyers were the four ECOWAS countries — Ghana, Ivory Coast, Senegal and Sierra Leone.

Figures published by the Central Bank of Nigeria (CBN), indicate that with the purchase of 6,248 million barrels of crude valued at ₦140.2 million, Ghana was the largest African buyer of Nigeria's crude while Ivory Coast bought 4,979 million barrels valued at ₦108.8 million.

Senegal imported 1,071 million barrels at ₦23.8 million and Sierra Leone, 1,842 million barrels valued at ₦37.2 million.

Oil industry sources told a

correspondent of the News Agency of Nigeria (NAN) in Lagos on Tuesday that the increase in Nigeria's crude export to Africa was caused by the concession given to African countries in the marketing strategy of Nigeria's crude.

Under the strategy, African countries are given a 90-day grace period to pay for their liftings.

According to the CBN report, Western Europe provided the largest market for Nigeria's crude with the purchase of 289,812 million barrels, up by 63.6 million barrels from 226,202 million barrels in 1983.

Exports to Western Europe amounted to ₦6.42 billion, representing 72.7 per cent of Nigeria's crude export sales in 1984 compared to ₦4.72 billion which Western European countries paid for 65.6 per cent of Nigeria's total crude exports in 1983.

For the first time since 1971, the US fell from its place as Nigeria's largest crude buyer. The largest single country importers of Nigerian crude in 1984 were France and Italy in that order.

CSO: 3400/942

NIGERIA

DESPITE OIL PRODUCTION, OGUTA SUFFERS DEPRIVATION

Lagos BUSINESS TIMES in English 5 Aug 85 p 11

[Article by Mike Iwenofu]

[Text] **A**LTHOUGH the strange phenomenon of neglect of our oil producing areas has for long been subject of public debate, it has in the recent past received renewed attention.

In a radio programme in Port Harcourt on Wednesday June 6, the Sole Administrator of the Rivers State Task Force on Environmental Sanitation pleaded with the Federal Military Government to tackle the issue of environmental pollution with legislation.

In the Sole Administrator's view, villages from where oil is mined are subjected to a lot of deprivations for no other reason than that their land contains oil.

Earlier, at the pre-view of the films which the NTA Channel 8 Cultural Group shot in Oguta, Chief Gogo Nwakuche had spoken of "the abandonment of the oil producing towns in the Oguta axis," and implored media practitioners to bring "this culpable neglect" to the notice of the authorities.

Chief Nwakuche said "It was ironic that Oguta which gives so much to the oil industry and therefore, to the national economy, gets

next to nothing in return; but instead suffers a lot of deprivations." In many ways, that was a graphic account of the tragedy of Oguta.

As an example of an oil producing area that has not benefited from the nation's oil wealth, the Oguta axis stands in a class of its own. Not only has it not benefited by way of infrastructural facilities, provision of social amenities, or training schemes for, and employment of its people in the industry; but indeed, those things which it had before the oil find have been sacrificed to, the industry with nothing given them in return.

Oil spillage, pollution and such things are conventional hazards in the oil industry. In Oguta and environs, these are Sunday School rehearsals in the face of the monumental tragedy which has lived with the people these past 30 years; — the inferno at Egbedore. Nothing but personal experience can aptly describe the ordeal which this huge flare-up has been for the people.

It has scorched the earth, and heated the waters, killing entire vegetation and water life for miles around. And worse, it has made the entire areas around too hot to sustain normal life of either plant or animal.

Traditionally, Oguta people and those around them are noted farmers and fishermen. Oguta lake and the adjoining Urashi River together with the numerous tributaries of the Niger with which it forms the swampy delta, abound in fish — fresh water fish which is very much sought after.

Alluvial deposits brought by the Niger in its long journey from Fouta Djallon mountains and lavishly spread on the approach to the Atlantic, dutifully fertilised the soil and guaranteed rich harvests perennially. Not so these days.

For their normal growth and lives, plants and animals alike need the routine of light and darkness. Unfortunately for both, the Oguta/Egbedore flare-up has provided unending light — with scorching heat — 24 hours everyday, seven days every week and 52 weeks every year for these past 30 years.

Little wonder, plants and animals in the axis have died away. Little wonder too, there is today a drastic decline in both farming and fishing activities in the area.

The people of Oguta have been most resentful of this, and they have left no one in doubt about this. Chief Nwakuche and all those I spoke to in both Oguta and the neighbouring towns were not happy that

neither the Federal authorities which get the bulk of the oil revenue, nor the oil companies which cart away enormous profits has done anything noteworthy to alleviate the sufferings of the people who have been exposed to the rigours, the tensions and tribulations of living with Egbema perpetual daylight.

The attention of the authorities has been consistently drawn to this sad state of affairs. It is on record that in virtually all the addresses which they have presented to visiting dignitaries, they have spoken of the flare-up and the glaring absence of "federal presence" in their area. Rather unfortunately, nothing much has materialised from these.

The Federal Government formula for the sharing of oil revenue makes provisions for ecological disaster incidental on oil exploitation.

This perhaps is why there is this tenuous argument that the Oguta/Egbema flare-up has to do with natural gas; and not crude oil. If this is the basis of the abandonment of this axis, it only has to be remembered that Akiri One and Two which are productive oil wells are in this same axis.

Hopefully though, the days of the flare-up are numbered — thanks to the dynamism of Energy Minister Professor Tem David-West who is working relentlessly for the setting up of the Liquified Natural Gas (LNG) plant. But then, the

question arises: when the flare-up stops, what happens to the damage it must have left in its wake? What happens to the scorched soil? And the late and streams and rivulets which have been rendered uninhabitable for marine-life? Shouldn't there be reparations? And if there would be, what form would they take?

Port Harcourt, Warri and Oguta have a number of things in common. All three are ports. Days gone bye, they were out-posts for Portuguese and other European traders. They have abiding social, cultural and economies. These days, they are king pins in their respective axis all of which are oil producing. In one aspect however, the difference between them is staggering. That is the area of modern development.

Admittedly, both Port Harcourt and Warri were more developed than Oguta before the oil bonanza. But certainly, the gap since oil has widened beyond recognition.

Today, both Warri and Port Harcourt have modern refineries. Oguta has none. The ports in both cities have been modernised. On the other hand, plans to dredge the Niger up to Oguta have never been more than bandied about for more than 15 years.

Port Harcourt and Warri have robust "federal presence" — Warri boasting a multiple million Naira steel

mill and Port Harcourt, a modern airport upgraded for international connections. Oguta has no such things.

No one quarrels with these "gifts" which are predicated, among other things, on the aphorism that the bull that threshes the corn must not be allowed to starve.

But then, what is good for the goose should also be seen as good for the gander. As of now, for all that Warri and Port Harcourt have to show as their reward for contributing to the nation's oil wealth, Oguta has nothing in spite of Akiri One and Akiri Two.

Of course, with the refineries near Port Harcourt, no one would propose the setting up of another refinery near or in Oguta. But clearly, there are other areas of development which could be extended to Oguta.

Surely, the need exists for the Federal Military Government to prove to the people of Oguta that the present state of abandonment is not the result of wilful neglect. In this regard, action should be allowed to offer the proof.

Government could start off meaningful assistance to the people of Oguta by initiating a scheme to restore the productivity of the farm lands affected by the flare-up.

This of course should include the streams and rivulets and the lake which are now almost barren of water-life. It may yet be a pretty long way to the end of the flare-up. But nothing

whatsoever stops the government from commissioning a study on the rehabilitation scheme at once.

Added to this, the Federal Military Government should consider seriously the idea of setting up an agro-allied industry in the area-based on its variety of agricultural products which include cassava, maize, palm oil and kernel, plantains etc etc. It could do this in partnership with the Imo State Government, indigenous entrepreneurs or oil companies.

In this regard, it is on record that only recently, a leading oil company in the country was canvassing the idea of assisting indigenes of oil-producing areas by establishing agro-based industries in their areas and thereafter helping the local citizenry to make a living from agriculture.

Lastly, the plan to dredge the River Niger and, in the process establish an inland water port at Oguta should be ferreted out from whencever it had been buried. Thereafter, the Federal Government should give meaningful assistance to this very worthy project.

The establishment of a River port in Oguta will serve a dual purpose. It will put to rest most effectively any talk about organised neglect of Oguta and environs. More importantly, it will give a tremendous boost to the national economy. The port will serve as a base for easy and cheap transportation of goods to and from the Igbo heartland.

NIGERIA

LUKMAN SAYS MINING, STEEL TO RECEIVE GOVERNMENT PRIORITY

Lagos DAILY TIMES in English 8 Aug 85 p 12

[Text] The Federal Government places emphasis on the establishment of indigenous mining and steel industries to lay a solid foundation for a stable industrial growth, Mines, Power and Steel Minister, Alhaji Rilwanu Lukman has said.

Inaugurating the reconstituted nine member board, of the Nigerian Coal Corporation in Enugu yesterday, Alhaji Rilwanu said it was because of this that government had decided to "revitalise the corporation."

The minister said that the Federal Government had embarked on a coal/energy programme which would "trigger off accelerated production and consumption of coal in the country," adding that feasibility studies had also been conducted on coal deposits in Anambra, Bauchi and Benue.

He said the ministry had carried out studies aimed at producing by-products of coal such as BTU, oil, tar, ammonia and sulphuric acid as well as determining the percentage of Nigerian coal that could be blended to coking coal for use in the nation's steel plants.

Alhaji Rilwanu said that the staff of the corporation, in conjunction with experts from the ministry, would ensure that the projects were implemented in the fifth national development plan.

He urged the board to use its four-year tenure to evolve a master plan that would enable the corporation to produce coal in commercial quantity on a profit-oriented basis to enable it to pay its staff. He added that the board should not involve itself in the day-to-day running of the corporation in order to "avoid conflicts with the management."

Earlier, the acting general manager of the corporation, Mr Raphael Ohaneje, said that the export demand for the corporation's coal now stood at five million tonnes yearly.

Mr Ohaneje said that the corporation had decided to limit its coal export to "only four serious and genuine coal exporters," adding that it hoped to make a minimum shipment of 5,000 tonnes monthly.

He said that the corporation had paid staff salaries up to January as well as pension and allowances up to November last year, and urged the minister to make funds available for the payment of salary arrears to enable the company to "stand on its feet."

Exchanging views with the minister, Governor Allison Madueke called for a review of Nigeria's energy policy to avoid continued dependence on petroleum as the main source of revenue for the country.

Navy Captain Madueke said that it would be unforgivable to continue to neglect other sources of energy in favour of crude oil.

He said that coal could become important in the future just as it was in the past. He added that all available energy sources should be tapped so that the absence of one or the other would not result in disastrous consequences for the nation's energy industry.

CSO: 3400/942

NIGERIA

LUKMAN EXPLAINS FAILURE OF POLISH-BACKED COAL MECHANIZATION PROJECT

Enugu DAILY STAR in English 8 Aug 85 p 1

[Article by Cyprian Madu]

[Text]

THE Minister of Mines, Power and Steel, Alhaji Rilwan Lukman has said that the mechanization of mining operations in the Nigerian Coal Corporation by a Polish consortium - the Kopex could not come into fruition due to technical problems.

Among these problems are lack of pre-feasibility studies to determine the geology of the mining areas and the suitable materials for the manufacture of machinery and parts which could stand the test of acidic water in the mines.

Announcing this while inaugurating the nine-man board of directors of the corporation in Enugu, Alhaji Lukman also identified supply of obsolete machinery, incessant power failure and frequent flooding of mines without provision of adequate dewatering pumps as the constraints militating against the success of the mechanisation scheme.

Besides, he went on, the corporation was bedevilled with spate of allegations of corruption, impropriety in the award of contracts, mismana-

gement of funds, in-fighting at the management level, stratification and polarisation of the staff into various ethnic and opposing camps.

The minister therefore charged the new board to assist the federal government in revamping the coal industry since the basic problems had been identified, adding that any officer found wanting in the performance of his duties or obstructing the attainment of the goals of the corporation would be dealt with appropriately.

He told the new board not to interfere with the day-to-day operations of the corporation but instead to monitor the effectiveness and productivity of the management with a view to ensuring that the industry was given a face-lift.

Alhaji Lukman emphasised that the primary functions of the board was to evol and implement a master-plan that would motivate and guide the coal industry to produce and sell coal in commercial quantities so that it could fend for itself without much reliance

on government subvention.

The minister also announced that feasibility studies have been conducted on coal carbonisation for the mines with a view to producing by-products and the determination of the percentage of Nigerian coal that would be blended with coking coal for use in our steel plants.

He disclosed that the white paper on the internal inquiry conducted in the corporation last year would be released very soon.

Earlier, the acting general manager, Mr R.E. Ohaneje said that the industry was battling to survive from the numerous problems confronting it.

Mr Ohaneje assured that if the corporation was given adequate fund to carry out its survival programmes, it would stand on its feet again.

In his own speech, the chairman of the board of directors, Mr J.E. Ataguba pledged the board's total commitment in improving the fortunes of the corporation.

CSO: 3400/944

NIGERIA

BRIEFS

ARMY SUPERMARKETS OPEN--Special military supermarkets started operating in Lagos and other parts of the country yesterday called Nigeria Army Post Ex-change (NAPEX). The Chief of Army Staff Major General Ibrahim Babangida is chairman of the board of directors of the NAPEX while the quartermaster general, the adjutant general, director of army staff duties and director of army finance and administration, are members of the board. Commanders of army units at all levels would monitor the sales of the commodities to prevent diversion of the commodities to nonmilitary personnels. Among other things, the NAPEX rebags rice into five kilogram units and would rebottle liquid products like palm oil soon. NAPEX plans to run fuel stations and other "businesses that can benefit the Nigerian Army." [Text] [Lagos DAILY TIMES in English 7 Aug 85 p 2]

NEW CLINIC IN POTISKUM--The Director of Potiskum Medical Clinic (PMC), Dr Peter Onyekere Onyekwena, on Friday in Potiskum said that entrepreneurs had a greater role to play toward the attainment of health for all by the year 2000 through the establishment of private clinics in rural areas. Speaking at the commissioning of N31,000 private medical clinic in Potiskum, Dr Onyekwena said that the clinic had treated about 1,000 patients from the locality since its inception in February. The clinic was officially commissioned by the Emir of Fika, Alhaji Abali El-Mohammed (NAN). [Text] [Kaduna NEW NIGERIAN in English 7 Aug 85 p 7]

ARMY TO HAVE OWN BANK--Nigerian Army is to open and run its own bank, the Chief of Staff, Supreme Headquarters, Major-General Tunde Idiagbon, said in Lagos on Sunday. He said on a Radio Nigeria programme, "Matters of the Moment," that Nigeria was underbanked adding that he saw nothing wrong with the opening of as many banks as possible to aid the economic revival process so long as such banks fulfilled all the necessary criteria laid down for the establishment of new banks. Many of the branches of existing banks in barracks, the Chief of Staff said, mainly operated on pay days and could therefore, not satisfy the day-to-day banking requirements of officers and soldiers. General Idiagbon said he believed the proposed bank would be viable since existing ones were making huge profits in spite of the economic recession. (NAN) [Text] [Kaduna NEW NIGERIAN in English 6 Aug 85 p 20]

BENUE STATE RESHUFFLES CABINET--The Governor of Benue State, Brigadier Atom Kpera has announced a cabinet reshuffle in which five commissioners have swapped portfolios. A statement from the Press Secretary to the governor,

Mr Simon Amase said Mr John Agada Igomu has moved from the Ministry for Local Government and Chieftaincy Affairs to that of Commerce, Industries and Cooperatives. Mr David Hwande who was Commissioner for Commerce, Industries and Cooperatives is now in-charge of Information, Internal Affairs, Youth, Sports, Arts and Culture. The statement said Mr David Aondoakaa Utume who has been succeeded by Mr David Hwande has now been moved to the Ministry for Local Government and Chieftaincy Affairs. Others affected in the reshuffle-ment are Mr William Amgutti who now takes charge of the Health Ministry in exchange with Dr Alex Kadiri who has replaced him at the Ministry of Works, Transport, Housing, Lands and Survey. [Text] [Kaduna NEW NIGERIAN in English 6 Aug 85 p 3]

OIL EXPLORATION DROPS--Oil exploration at the country's oilfields dropped in June compared to May, according to the August edition of the NIGERIAN PETROLEUM NEWS. The publication said that the number of groups involved in seismic activities dropped from 11 to 10 during the period. It attributed the decline to the withdrawal of the Pan Ocean Team following the completion of its programme in the company's mining lease. It reported that during the two months, the NNPC and Shell Petroleum maintained three seismic parties each, ELF had two while AGIP and Gulf had one each. The petroleum news fur-ther said that as in the previous month, 10 rigs drilled 14 wells. Shell deployed four of the rigs, while ELF had two and AGLF, Pan Ocean and NNPC one each. It said that 82 seismic parties operated between January and December 1983, during which 31 wells with a total depth of 76,967 metres were explored and 100 wells of 281,334 metres depth were either appraised or developed for exploration. [Text] [Lagos DAILY TIMES in English 9 Aug 85 p 13]

EARTH TREMOR FEARED--Huge earth cracks have been found at Pindiga in the southeastern part of Bauchi State. The state government officials now specu-late an impending earth tremor in the area. Some of the government officials who visited Pindiga to assess the situation and extent of the cracks, agreed that they have all the signs of a quake. The cracks which cover almost all of Pindiga were said to have been noticed some 30 years' ago according to the district head. They later disappeared only to resurface more extensively. The cracks were noticed recently at Kuri Village following the flood disaster there, only to spread to Pindiga when the attention of the state government was drawn to the new menace. Each of the cracks measures over two metres, but its depth could not be reached because of obscurity. An engineer with the state Ministry of Works said the fact that the cracks took place even in the rainy season makes it more baffling, suggesting that only a seismic study could unravel the mystery. [Text] [Lagos DAILY TIMES in English 1 Aug 85 p 12]

EAST GERMAN TRADE PACT--Nigeria is to receive about N200 million loan under a bilateral trade credit agreement to be signed with East Germany. The loan will be for the implementation of the second phase of an education programme. This news was contained in the STANDARD CHARTERED REVIEW JOURNAL for July 1985 published in London. The journal also stated that the fifth interna-tional trade fair would be staged at the Tadewe Barewa Square in Lagos from second to 10th November this year. Towards this end, foreign companies wish-ing to participate have been issued guidelines. According to the journal,

sample products to be displayed should have direct relevance to the priority objectives of the administration. The areas of interest, the journal stated are integrated agricultural production and processing, the development of local raw materials for industries, housing education, science and medicine and the transfer of technology, generally. [Text] [Lagos DAILY TIMES in English 1 Aug 85 p 2]

NEW NTA TRANSMITTER--A new transmitter to boost the services of Nigerian Television Authority (NTA), Makurdi will soon be installed. The Director General of the authority, Mr Vincent Maduka, announced this when he paid a courtesy call on Governor Atom Kpera in Makurdi recently. He said the equipment had already been acquired but that the installation was delayed as a result of a technical hitch which would be rectified soon. Mr Maduka said the NTA Makurdi and Maiduguri were lagging behind in studio development and expansion but expressed satisfaction with the way the Makurdi station was managing its affairs. He stressed that although the Makurdi station has only one transmitter, it was striving hard to transmit its programmes to its viewers. In his remark, Brigadier Kpera noted that the exposition of the Kwagh-Hir on the NTA network had boosted the moral of artists in Benue State, particularly in the TIV speaking area. The director general, who was on a two day working visit in Makurdi, has since returned to Lagos. [Text] [Kaduna NEW NIGERIAN in English 31 Jul 85 p 13]

ARMY RESERVE SCHEME--The Nigerian Army is planning to launch a reserve scheme. The Director-General of Army Reserve, Recruitment and Resettlement, Brigadier J. Onoja hinted that the proposed reserve unit would be composed of civilian volunteers who would avail themselves of the opportunity for military training and military operations during war time, among others. He pointed out that the future development of the army would be closely linked-up with the development of the proposed reserve scheme. Brigadier Onoja was highlighting the activities of his directorate, during celebrations marking the 122 anniversary of the Nigerian Army. He disclosed that his directorate had already initiated proposals for relevant legal backing for the scheme to the appropriate authorities. [Text] [London TALKING DRUMS in English 22 Jul 85 p 24]

CSO: 3400/950

SOUTH AFRICA

FREEDOM CHARTER BACKERS CONSIDERED ANTI-CAPITALIST

Johannesburg BUSINESS DAY in English 22 Aug 85 p 6

[Article by Ken Owen: "Could Anglo Pass Off as a Barbershop?"]

[Text]

FORGIVE me for using socially unacceptable language, but I feel compelled to mention again the Freedom Charter, which so many elements of the United Democratic Front endorse.

The Charter gets more puzzling with every explanation.

One Wits lecturer, Dr Duncan Innes, says it expresses the aim of creating "a democratic capitalist state". He says the SA Communist Party has had great difficulty in reconciling its own anti-capitalist struggle with its support of the Charter.

Innes argues with great subtlety that the Charter, despite its demands for nationalisation of banks and monopoly industries, and the redistribution of land, is not to be feared by liberals who tend to get fussed about coercive governments.

If he were right, I would gladly endorse the Charter because it contains a lot of ideas that were beautifully expressed by Thomas Jefferson and Abraham Lincoln.

The trouble is that an even more eminent interpreter of the Charter, Dr Raymond Suttner — a member of the UDF executive as well as a Wits lecturer — gives quite a different interpretation.

Suttner's views were spelled out in great detail when he delivered the T B Davie Memorial Lecture at the University of Cape Town last September 26.

Let me quote him:

"The struggle for the Charter is therefore an anti-capitalist programme, because any programme to end racial oppression in SA must be anti-capitalist."

That, indeed, is my understanding.

Suttner adds an intriguing twist: "In the first place, its (the Charter's) attack on the monopolies is primarily an attack on the control of the SA economy by international capital."

Later he says: "... industries as a whole would be under the control of the people; that is, the people's government. Under this general control, individual production units would be under the control of workers' committees."

It all seems very clear. What remains in SA of Barclays and Standard will be grabbed by the state and administered by brilliant neo-Marxist technocrats who now, presumably, are squandering their talents by lecturing undergraduates.

Bank clerks would become public servants, and unseemly competition would no doubt be forbidden. Foreign banks would be the first to go.

This raises the intriguing thought that, as foreign news media spread the notion that revolution is at hand, foreign businesses may feel so threatened that they would rather be invested in some capitalist hell like Canada or Australia.

One can understand their feelings, but it does suggest that disinvestment may sometimes owe less to abhorrence of apartheid than to terror of liberation.

Local financial institutions will not escape. Liberty Life will be freed from the genius of Donald Gordon and will no doubt be run by a junior lecturer from the maths department who understands the benign use of unfettered power.

Sanlam and Old Mutual will go the same way, along with United, Allied and the Pern.

Suttner realises that all this may alarm middle class supporters who are, for the time being, required to lick envelopes and fix the sound system for the agents of liberation.

He tries to reassure us: "It is important that people should realise that with national liberation these classes and strata need not fear for their future ... It might in fact be in the interests of socialism for all such strata and middle classes to continue to operate, subject to working-class control.

If a future socialist state were to take over the small enterprises in the townships, on the street corners, the barbershops, the small traders, the handicraft stalls and similar activities, it would undertake a huge burden. In order to manage these small enterprises, it would have to establish a massive bureaucracy.

"Such activity might best be left in private hands, subject to state control. There are some types of work, such as those of barbers, that are performed most efficiently on an independent basis."

There we have it. I must say I find Suttner's reading of the Charter most persuasive: all businesses bigger than barber shops, handicraft stalls and township enterprises (even shebeens?) will be taken over by the state and run by workers' committees subject to state control.

Clearly Anglo American has no

more hope of surviving under the Charter than Liberty Life or Barclays. Similarly, foreign-controlled businesses have only one choice: disinvest before liberation, or get robbed afterwards.

Undertakings like Aberdare Cables (controlled by Philips of the Netherlands), and IBM, Chubb, Lonrho, Masonite (controlled by US Gypsum) and Concor (Hochtief AG) and Everite (Swiss Eternit group) are all on the hit list.

Not to speak of GM and OK and BP, and Shell and AECI and hundreds upon hundreds of other companies, local and foreign, which cannot by any stretch of the imagination be passed off as barbershops.

Even so, there are still grey areas. The major newspaper companies are bound to be taken over and *Business Day* would join the SABC as instruments to control rather than inform the people.

But what would be the fate of *Weekly Mail*, that brave independent newspaper run by former *Rand Daily Mail* and *Sunday Express* staffers whose belief in freedom of expression is so great they have poured their redundancy payments into the undertaking?

Presumably, if *Weekly Mail* succeeded and became an immense profit-making institution in support of liberal democracy, it would be nationalised. If it were thoroughly botched, and lingered as a loss-making little journalistic barbershop, it would be allowed to survive.

At least, that is my understanding of how centrally-controlled economies work.

Perhaps now somebody will come forward to tell us who they have in mind as chief commissar in charge of all this. I'd like to be assured that he hasn't spent his entire life in sheltered employment on campus.

SOUTH AFRICA

HEALTHY SOUTH AFRICAN TRADE WITH TAIWAN CONTINUES

Johannesburg THE CITIZEN in English 27 Aug 85 p 27

[Text]

"SOUT" African trade, with Taiwan shows no signs of the uncertainty now growing where other countries are concerned.

Trade between the two is at present estimated to exceed an annual \$500-million, and plans are to increase this with the possible purchase by Taiwan of some 2-million tons of coal, together with a significant increase in South African implants of communications and computer equipment.

In addition, volumes of television and hi-fi components for assembly in Transkei, Ciskei and Bophuthatswana are also to be increased.

According to recent figures from the Taiwanese Economic Council, South Africa imported \$256-million of products to the end of April, while exports amounted to \$81.2-million, a fall of 36.9 percent in imports by South Africa while its exports were up 28.9 percent.

The economic counselor for Taiwan, Mr C C

Kan, sees the balance of trade turning around shortly as more products are imported by South Africa to feed the rapidly growing industries in the national states.

To date, Taiwan has 42 factories in these areas with plans to expand them as soon as possible, particularly in textile and footwear.

The healthy state of this two-way trade has meant that a leading independent shipping line, Nantai Line of Taipei has introduced its third fully cellular vessel to increase the frequency of sailings between the two countries.

The new purpose-built ship named Nantai Princess is a 10 800-ton vessel and arrived in Durban following its maiden voyage in mid-August. Apart from the regular ports of call the Nantai Princess will be directly calling at Kobe and Yokohama. Nantai Line is confident that the improved rotation will be to the benefit of all clients as well as Far East South African trade as a whole.

CSO: 3400/1030

SOUTH AFRICA

APPLE COMPUTER PULLOUT SCORED

Johannesburg SUNDAY TIMES (Business) in English 18 Aug 85 p 28

[Article by Kerry Clarke]

[Text]

APPLE Computer's decision to pull out of SA has been described as disgusting.

Computer dealer Joan Joffe says: "When they were doing well, they were happy to support us. But when times got tough, they took the first opportunity to pull out."

Mrs Joffe says Apple sales dropped in the past six months as it faced increasing competition from IBM and compatible personal computers. She says the Apple machines were mostly overpriced when compared with other PCs.

Taiwan

Her business will not be much affected because Apple sales no longer comprise a large part of her turnover. She will continue selling mainly IBM and Hewlett-Packard machines. She is considering products from the Far East.

Dealers buying computers from the East could benefit from the American disinvestment campaign. Taiwanese computers are receiving increasing exposure on the SA market.

Taiwan has a flourishing electronics and computer industry. It exported \$152.2-million worth of information products and components in

1984, a 116% increase over 1983.

The Taiwanese Government has identified the information industry as strategic and is promoting its development with concessions, such as research loans.

High-technology science parks have been established to attract investment and raw material can be imported duty-free.

Manufacture

Multitech, the largest microcomputer manufacturer in Taiwan, sells its products to SA through Cape-based Embel Data Systems.

Carl Muller, director of Embel, believes the disinvestment campaign and Apple's withdrawal could influence buyers in favour of a Taiwanese machine. His sales of Multitech machines were 40% over budget this week.

He says sales are going so well that SA manufacture on a joint venture basis with Multitech is being considered.

Mr Muller says Embel is starting to make inroads into corporate markets with the Multitech IBM-compatible micro-computers and Unix minicomputers.

Another Taiwanese electronics company, Mitac, is also investigating manufacture in SA.

CSO: 3400/996

SOUTH AFRICA

POLITICAL, ECONOMIC PROBLEMS ACCELERATE EXODUS

Johannesburg SUNDAY TIMES (Business) 18 Aug 85 p 11

[Article by Angus MacMillan: "Stout Hearts and Lots of Money Needed to Quit"]

[Text]

THE state of emergency and a Mickey Mouse rand are grounding potential emigrants and sparing South Africa from an even worse shortage of skills.

Not for those who wish to leave the easy path to pastures new that their predecessors had after Sharpeville and the 1976 Soweto riots. The 1985 chicken run is through a minefield.

Few nations or foreign companies want to be seen to be offering an escape route to disenchanted white South Africans; few potential emigrants want to sell their houses in a depressed market; few people are prepared to be crucified on the foreign-exchange merry-go-round.

Main reason

In 1977 and 1978, SA's net migration was in the red, partly because of politics and partly because of a downturn in the economy.

The number of political malcontents leaving SA shot up after the Soweto riots, but the main reason for the net migration loss was that fewer people settled here.

Immigration soared when gold started to boom in 1980. The gold boom also more than halved emigration from 1977 levels.

Although the Department of Home Affairs has applied

stricter control on immigr-

ation because of economic restraints, SA is still one of the easiest countries in the world in which to gain permanent residence.

It takes little more than a

white skin and lack of a

criminal record to be able to

settle in SA.

In Canada and Australia a strict points system ranks potential settlers on family, occupational and financial qualifications. It is continually adjusted in line with the state of the economy.

The number of foreigners settling in SA has dropped considerably since 1981 and 1982 when 4 000 people, a month arrived.

Although the number of people leaving is picking up, it is hardly an exodus.

Immigration in the first three months of this year was 40% down on the same time in 1984 from slightly more than 8 000 to 5 700. Emigration, 2 000 this year compared with 1 700, was 13% higher in the first quarter.

Faster

Last year 8 500 people left SA, but 28 793 newcomers were granted residence permits.

The new breed of whenwe, the when we were in South Africa strain, would be spreading a lot faster if not for financial problems.

Whenwes started their whining reminiscing after

leaving East Africa in the 1960s. Then there were the whites who left Northern Rhodesia and Nyasaland and most recently those who took flight from Zimbabwe.

Carrots

If all the applications made by South Africans to foreign embassies, particularly the Canadian, Australian and US missions, were successful, the Great Trek would be eclipsed.

Peter Steyn, who runs a personnel business which places computer fundis, has no doubts about what would happen if emigration were simple.

He says: "If a couple of American companies chartered a Boeing 747 to SA, they'd fill it up overnight. We may be a bit behind in networking and communications, but our hardware and software are up to date.

"Foreign companies have not really latched on to the idea of recruiting in SA and some don't want to be seen recruiting here. We have had inquiries from some foreign employers, but most people serious about emigrating go and have a look first, return and make plans."

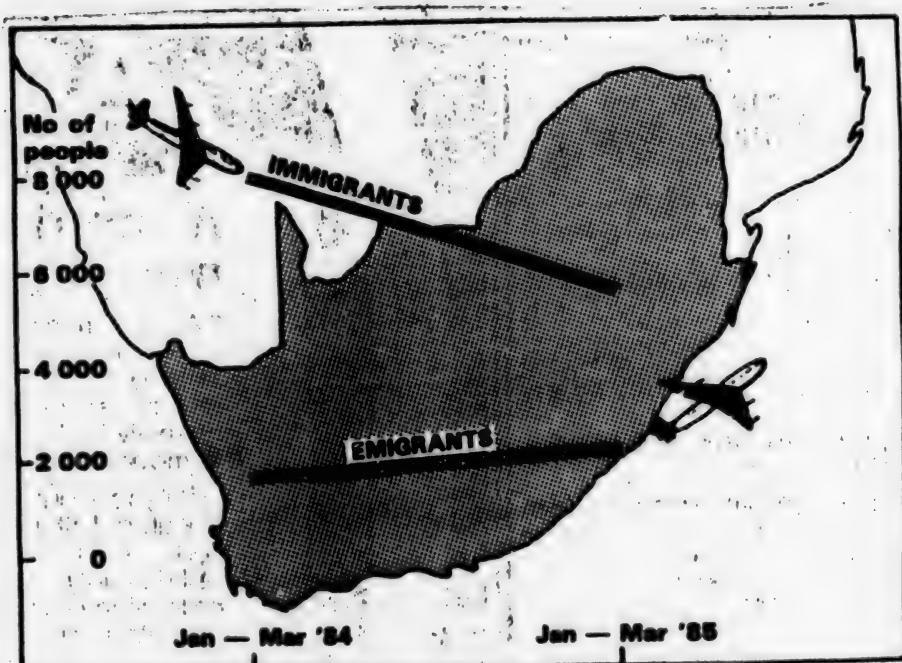
There is no doubt that SA's bad image abroad has limited foreign interest, but several job carrots are offered openly.

A few that have appeared in the appointments pages of Business Times include:

Gratuities

- Accelerate your computer career with Ford Australia — interviews in late August.
- CAs for Chicago — interviews mid-August.
- Sub-editors for Sydney Morning Herald — a senior executive will arrange to see you in SA.
- Valuers of plant and machinery for Australia and New Zealand — interviews in September.

Jobs with tax-free gratuities are offered in Malawi, Swaziland and Botswana; there are immigration lawyers from the US advertising their services in SA newspapers.



Sunshine

Even the sunshine is being used against us, it seems.

An Austin Knight recruitment advertisement for electronic jobs in Britain reads: "If you're ready for a little less sunshine and a lot more scope for your career ..."

Barclays Bank's business brief puts an economic up-swing off until the second half of 1986. It blames the state of emergency for delaying an upturn.

What is worrying employers, apart from the loss of valuable skills, is their inability to attract replacements.

While the economy is in bad shape they can often go without, but when it improves they could be stuck.

CSO: 3400/996

SOUTH AFRICA

ACCELERATING BRAIN-DRAIN PROBLEM DISCUSSED

Johannesburg THE SUNDAY STAR in English 18 Aug 85 p 6

[Text]

ONE OF South Africa's top computer men, Ash Emery, has put into perspective the cost to South Africa of the accelerating brain-drain.

Dr Emery is chairman of the Transvaal Computing Services Association. He is a member of international computer associations and earned his doctorate with the first detailed study of the South African computer industry.

At a recent in-company seminar he said the question was not why computer people were leaving, but whether this country could afford to let them go.

"For years I have been saying that top employees should be treated as investments. For years it has fallen on deaf ears and now we are paying the price.

"Employers blame the political and economic situation for the brain-drain but one must not forget that computer professionals are generally task-oriented

and will identify with a challenge. They will be thoroughly motivated if management is capable of providing projects that stimulate talented staff. Career development and twice-yearly performance appraisals are essential for systems, programming and engineering staff."

Dr Emery has developed a model which caters for a computer professional's career development within an organisation.

"The heart of the model is the appraisal interview itself. If line and personnel management follow the model, which is totally flexible, computer professionals will not be seeking opportunities abroad.

"I agree that they have reasons to seek greener pastures. The perks tax was ill-conceived and introduced at totally the wrong time. The imposition of military service for foreigners was again ill-conceived when at least 35 percent of our industry's

professionals are foreigners and are eligible, or have children eligible for call-up.

"Nevertheless, we must accept these facts as well as computer sanctions, or the threat of sanctions, which are now upon us. It is time we stopped sticking our heads in the sand.

"Training black staff must be a priority; the incoming flow of suitably qualified computer people is still a trickle compared to the flood of experts leaving the country."

Given this depressing scenario, Dr Emery is surprisingly optimistic: "This country has some highly talented, if temperamental, staff. If personnel managers can provide planned career-development for computer people and create a creative working environment, then we might pull through. But we must stop paying lip service to career-progression and start adopting some enlightened policies."

CSO: 3400/996

SOUTH AFRICA

URBAN FOUNDATION'S AGENDA FOR REFORM DISCUSSED

Johannesburg BUSINESS DAY in English 21 Aug 85 p 8

[Article by Peter Honey]

[Text]

THE Urban Foundation has put forward a "reform agenda" which it believes is a prerequisite for orderly political, social and economic change in South Africa.

It places the foundation squarely in the camp of business-orientated organisations which favour negotiations for power-sharing with black leaders and a federal constitution.

The foundation's executive chairman, Jan Steyn, urges government to take the lead, but concludes that the private sector shares the need "to go far beyond its present views of social responsibility" in helping to bring about a new order in the country.

"All South Africans should be reassured that we are not embarking on a course of action which will end in seige and repression," he says.

The agenda calls for:

- Government to end the state of emergency as soon as possible;
- The interim appointment of respected ombudsmen in each of the 36 emergency districts to handle allegations of Security Force malpractices;
- The creation of a framework for legitimate negotiation with black leaders, and an open-ended agenda which would include the principle of power-sharing at central government level, and the possibility of a federal element in a future constitutional dispensation for all people in the country;

Deregulation

- A commitment to abolish influx control by a fixed date — possibly

June 1986 — as part of a vigorous urban development policy;

- The establishment of a single education ministry and a clear commitment to implementing the recommendations of the De LANGE Committee;
- Deregulation of small businesses "with immediate effect";
- An end to forced removals;
- The right to common citizenship for all South Africans; and
- The introduction of remission of sentences for "political" prisoners.

There was a serious need for a structural process through which black leadership could negotiate the process of reform and law and order, Steyn said. In the absence of these structures "we have to accept the existence of a wide range of black leadership that exists outside of formal structures," he said.

It was imperative that authority created enough faith in the reform process to enable the black leadership, who favoured negotiation rather than violence, to respond positively to negotiation, he added.

The present cycle of unrest had built on several widely-felt grievances. These included:

- Black resentment at their exclusion from a parliament based on a tricameral constitution incorporating other population groups previously excluded from political power;
- A complex of educational issues;
- Inadequate housing, poor access to finance and a lack of serviced land;
- Power struggles between rival black political groups, such as the UDF, Azapo, the National Forum and Inkatha;

"All that is required is to encourage it by a rational set of policy incentives for a dynamic of a very positive nature to occur," he said.

Possible

The core structures of South African society had to be reformed if the quality of life was to be improved.

Rapid change without violent reaction is possible, Steyn says. For example, the granting of property rights and recognition of the permanence of blacks, desegregation of sport, trade union rights and scrapping of prohibition against inter-racial marriage had not provoked intense antipathy on the part of whites.

While State President P W Botha referred to some of these issues when he addressed the Natal NP's congress in Durban last Thursday, it is clear why the Urban Foundation was disappointed at his failure to commit government to bold action.

• The failure, in key areas, of the system of black local government.

"It is our contention that structural defects in the society at large underlie many of the specific problems that face us today," Steyn said.

"We have failed to accept the fact that South Africa is a developing society with many of the characteristics commonly associated with Third World countries.

"Thus we have failed to confront the fact of urbanisation; we have sought to impose standards and institute controls that strangle initiatives, and we have imposed political solutions which have been irreconcilable with appropriate economic development."

But there remained much to be positive about: people had proven their entrepreneurial drive by organising themselves into effective community groups, making decisions, managing their affairs and developing informal businesses.

CSO: 3400/996

SOUTH AFRICA

PORt ELIZABETH UNEMPLOYMENT SOARS

Johannesburg BUSINESS DAY in English 21 Aug 85 p 8

[Article by Claire Pickard-Cambridge]

[Text] Unemployment around Port Elizabeth—put at 56%—gives little hope to those who live there, reports Claire Pickard-Cambridge.

SOARING unemployment in the Port Elizabeth area has been described as catastrophic by several academics. A recent sample survey put the jobless rate in townships at 56%.

The survey was conducted last month, by Professor Mike Levine, of the Department of Economics at Port Elizabeth's Vista campus, among work-seekers in Zwide, KwaZakhele, New Brighton, KwaMaxxa, Motherwell, Kwanobushle and Langa.

Nobody is quite certain about statistics in a volatile, unpredictable area where squatter communities mushroom overnight. The Port Elizabeth Chamber of Commerce believes there are an unprecedented 75 000 work-seekers in the area.

Clearly, good surfing and beautiful beaches provide little hope in an area characterised by structural unemployment and hard hit by a boycott of shops outside black areas.

One searing illustration was a strike by 249 blacks at the Port Elizabeth abattoir on Tuesday, July 23. The workers struck over the detention of two colleagues and were dismissed two days later. The 249 were replaced with white, coloured and black workers on the same day.

Abattoir manager Willie Swane-poel said they had not advertised for applicants and had been swamped by a further 300 whites and about 300 coloureds, whom they turned away the following day.

We found that few blacks applied for the jobs, but we have never had a flood of applications from unemployed whites before," he said.

Port Elizabeth has always had greater unemployment than other metropolitan areas, but its case is a telling pointer about chronic unemployment in the rest of the country. As a traditional flashpoint of black-white conflict, it is also regarded as a thermometer of black political developments.

Levine points out that the thousands of unemployed have no income nor hope and conditions cannot begin to ensure political stability.

He believes that this situation applies to the Eastern Cape's entire region D — which includes East London — because the area has an overpopulation problem and insufficient jobs.

Unemployment statistics in the East London region are even harder to come by because most work-seekers live in the Ciskei. However, Levine says the situation is more critical in Port Elizabeth, where people do not have a link with the hinterland and a minimal means of agricultural support.

He expects the number of jobless to rise more rapidly in Port Elizabeth because of its unsettled political nature. "And there is a likelihood of increasing unemployment following a boycott of shops outside black areas. There have already been lay-offs of

people in the area in the past few weeks."

Levine believes, along with others such as director of the Port Elizabeth Chamber of Commerce, Tony Gilson, that government projects are needed to rescue an afflicted area.

Gilson says the chamber is concerned about the situation. "We have short-term, labour-intensive projects at present, but in the long term the only solution is to raise the level of economic activity in the area.

"We fear that we could be looking at an absolute catastrophe if a solution cannot be found to our high unemployment rate. While we support the curtailing of government spending, it might be necessary to divert finances to the Port Elizabeth area to provide some real stimulation."

Gilson also charges that true negotiation between all parties is needed. The chamber planned to have talks with most sectors of the community, including the boycott committee, but the state of emergency has jeopardised some of these plans.

He says the chamber believes offi-

cial unemployment figures for the area are "grossly understated". Most of the jobless do not register because they don't qualify for unemployment benefits. However, a spokesman for the Department of Manpower confirms that Port Elizabeth's official unemployment figure has doubled since last year.

Professor Roux van der Merwe, of UPE's Industrial Relations Unit, also describes the unemployment situation as catastrophic. Earlier this year his institute put unemployment at between 25% and 30% in the Port Elizabeth metropolitan area. "However, we believe it may be closer to 56% now," he says.

Research by the unit revealed large-scale lay-offs — mostly at Ford SA — last year and there were more widespread lay-offs in Port Elizabeth and Uitenhage this year.

The unit's research sample in 1984 covered 28 large companies in the area and revealed that 1 387 workers had been laid off in the first six months. Another 1 525 were laid off in the second six months. This represented a 6.2% drop in overall employment at the 28 companies.

This year the sample incorporated 32 companies where a further 806 workers were laid off in the first six months from a combined workforce of 25 136. A further 700 workers left for other reasons and were not replaced.

Van der Merwe believes the shops boycott is also having a deleterious effect on the smaller businesses.

"When the emergency was declared the whole boycott committee either fled or disappeared and there is no one for the Chamber of Commerce to talk to. Unemployment is running at an all-time high, but its no good talking about economic issues until the political situation has been addressed."

CSO: 3400/996

SOUTH AFRICA

DR RUPERT WARNS OF UNEMPLOYMENT DANGER

Johannesburg THE CITIZEN in English 30 Aug 85 p 25

[Text]

STELLENBOSCH. — Unemployment was the main cause of South Africa's ills and ending it demanded urgent attention, Dr Anton Rupert, chairman of the Rembrandt Group said at the company's annual meeting in Stellenbosch yesterday.

He said South Africa was in the vanguard of an unemployment crisis which Europe would also eventually have to face.

Statistics put out by the Department of Manpower showed a 100 percent increase in unemployment in South Africa within a year. In the first seven months of this year South Africa lost job op-

portunities at a rate of 8 000 a month.

According to official estimates about 750 000 economically active people were now unemployed. Unofficial estimates put this figure much higher.

"What is especially disturbing is that there has been no net rise in Black employment in the past nine years; yet about a quarter of a million Blacks are entering the labour market annually — without hope of finding jobs.

"Breaking South Africa free of this cycle of chronic unemployment will take a special effort — a unique challenge which now demands our urgent attention.

"Creating employment should be a primary objective, not merely a by product of economic growth."

South Africa formed a microcosm of a worldwide problem. In the Third World sector of the economy, underdevelopment lived side by side with the negative aspect of over development in the First World centre.

The White economy was being stifled by excessively high building standards, cumbersome licensing procedures, elaborate transport regulations, inflexible industrial control and unrealistic minimum wage determination.

South Africa's serious housing shortage presented it with a unique opportunity for economic development. The housing backlog gave the country an exceptional opportunity to create jobs to harness "sweat equity" and to stimulate economic activity.

Dr Rupert said that in the process of negotiation now engaging leaders in virtually every field in South Africa, practices of the past may readily be weighed and found wanting.

"Mistakes there certainly were. We have to learn from those mistakes and join forces to build a new South Africa.

"In South Africa we are, economically speaking, interdependent. Together we form a delicately balanced economic unit. In the long run no one can prosper unless his neighbour does so too."

— Sapa.

CSO: 3400/1030

SOUTH AFRICA

EASING OF HIRE PURCHASE CONDITIONS ANNOUNCED

Johannesburg **THE CITIZEN** in English 30 Aug 85 pp 1, 2

(Article by Keith Abendroth)

[Text]

THE Minister of Trade and Industry, Dr Dawie de Villiers, last night announced the easing of hire purchase agreement conditions.

From today a flat deposit of only 10 percent will be required for a wide range of consumer goods — excluding motor vehicles. The maximum repayment period will be 24 months.

Dr De Villiers said in Pretoria that the new conditions of sale were among measures which, he hoped, would pave the way for an upswing in the economy.

At the same time, however, he warned consumers not to go on a buying spree and carefully consider buying decisions.

The new conditions will be gazetted today.

In some cases the reduced deposit represents an easing in conditions of up to 50 percent.

At present, minimum deposits of 15 percent and 24 months repayment period's are required for household furniture, garden furniture, mattresses, carpets and rugs.

Existing deposits of 15 percent and 18 months to

pay apply to electrical and non-electrical appliances for domestic use, including radios, sound recorders and reproducers, record players, tape and wire decks, loudspeakers and other similar equipment, as well as camping equipment, excluding caravans.

The new conditions will see the disappearance particularly of strict conditions on the sale of jewellery (25 percent and 12 months); and of 30 percent and 12 months on video cassette recorders and players, video tapes and electronic television games.

Photographic equipment, including microfilm equipment and lithographic process cameras, is to get relief from the present 25 percent deposit and 12 months repayment period, while the 15 percent and 20 months on television receivers and accessories — but excluding closed circuit television equipment — and TV aerial systems — has been done away with. Communal television aerial systems are not included.

Dr De Villiers said that the uniform conditions would relieve traders' ad-

ministrative burdens and eliminate confusion among consumers — "for example, traders will have to fill in one document even if more than one product were to be involved in a credit transaction," he said.

Of the economic background, indications were that the strict economic measures of the last quarter of 1984 had had the desired effect.

The excess demand for goods and services had now been completely eliminated from the economy.

From the second quarter of 1984 until the end of the second quarter of this year private consumption expenditure had declined by 7 percent in real terms and spending on durable consumer goods in particular had shown a marked decline.

Dr De Villiers listed a number of factors which he said had made the step possible.

The steps would contribute, he said, to the elimination of "the depressing mood in the domestic economy and pave the way for an upturn."

The slowdown in domestic demand had not

taken place without sacrifice and pain.

Factors taken into consideration included the improvement in the current account of the balance of payments, from deficits of R2.5-billion in the first quarter of 1984 to a surplus of R5.4-billion in the second quarter of this year.

But, said Dr De Villiers, if consumers were to interpret the relaxation of economic control measures as an encouragement to increase their consumption expenditure in an inflationary way, the current growth potential of the economy would be influenced negatively.

"At this stage South Africa cannot afford such a reaction. Any revival in inflationary pressure from the demand side of the economy must be avoided at all costs.

"South Africa can only bargain on an early recovery if the favourable balance on the current account of the balance of payments was to continue for the rest of the year without any excessive consumer spending, which would accelerate the value and volume of imports," he said.

SOUTH AFRICA

BUSINESS EXPERTS WARN OF INCREASING PROBLEMS

Johannesburg THE SUNDAY STAR in English 18 Aug 85 p 2

[Article by Mike Peirson]

[Text]

THE level of business casualties is at an all-time high, and there is little chance of a silver lining lightening this sombre economic cloud in the near future.

"The usual trend is that the number of companies going under peaks in the wake of a recession rather than during the coldest hour," Mike Greenham of business specialists Richard Bosworth Associates told me this week.

"Therefore, extreme caution must be exercised in the months ahead when taking a realistic look at bad debt potential."

He explained that in June, 508 insolvency judgments

were given in the Durban Magistrates' Court compared with a monthly average for last year of 250 and for the first part of this year of 375.

The economy is not out of the woods and the chances of the liquidation numbers dropping overnight are very remote. Therefore, many companies still need to analyse more thoroughly just why so many liquidations (something like 25 a day countrywide) have happened.

"Major reasons include a drop in retail sales, cash-flow problems, high interest rates and the exchange rate," said Mr Greenham.

"This year will probably

show a decline in retail sales of around 2.5 percent in real terms compared with last year."

However, he explained, tremendous changes had applied to individual categories of merchandise — the worst-affected being television sets and household furniture.

On the cash-flow aspect, David Rennie, general manager of Syfrets insolvency division, said: "If managers kept a tight rein on their cash flows and knew their monthly profit or loss positions, they could try to rectify a loss situation before the creditors demand payment of overdue bills.

"Chances are that, had they had sufficient warning and consulted the right people, these managers would have been able to turn their businesses around and avoid the liquidator's padlock."

Mr Rennie added, however, that there was no guarantee and even competent and thinking managers could lose their businesses. No executive could afford to be lax about decisions and actions.

He said his department was handling twice the volume of liquidations it did last year and there was no sign of this flow abating. He did not expect to see a drop for at least six months.

SOUTH AFRICA

BUSINESS HAILS PROMISE TO CUT RED TAPE

Johannesburg BUSINESS DAY in English 19 Aug 85 p 3

[Article by Gerald Reilly]

[Text]

BUSINESSMEN throughout the country have welcomed government's strong commitment to wiping out bureaucratic red tape and obstructive, outmoded regulations.

Deputy Minister of Finance and Trade and Industry, Kent Durr, told the annual meeting of the SA Institute for Public Administration, in Pretoria, that the President's Council was making a crash investigation into all regulations, standards, licensing requirements and administrative delays that hampered economic development and in particular, small business development.

The investigation will be completed by the end of September.

Durr said last week that government could not stand idly by while the creation of urgently-needed jobs was smoothed by red tape and outmoded regulations.

"We now have the opportunity of simplifying the business environment and reducing costs of private and government administration."

On privatisation Durr said: "We should be fearless in looking for suitable candidates for privatisation at all levels

of government and in all fields of public enterprise.

"The private sector pre-eminently created wealth and raised living standards."

However, he said, government would not act irresponsibly.

"Neither should we run away with the idea that everything done by the government can or should be privatised. Privatisation is no panacea.

"The processes of privatisation and user-cost charging would, in themselves, go far to free the fiscus from some demands that had found their way there. This would release funds that could be diverted to vital socio-economic fields.

"Going further, we can kill two birds with one stone by means of widespread deregulation and I believe this to be the most urgent priority at this time."

Durr referred particularly to those which hampered job-creation in the informal sector or those that pushed up the costs of running business or government.

CSO: 3400/996

SOUTH AFRICA

JSE RESEARCHERS ASSESS MINE LABOR POSITION

Johannesburg SUNDAY TIMES (Business) in English 18 Aug 85 p 2

[Text]

RESEARCHERS at one of the Johannesburg Stock Exchange's major broking firms, Mathison & Hollidge, have taken a look at mine labour.

Their report — Labour trends in the South African mining industry — pulls few punches in assessing the position of the mining houses and the National Union of Mineworkers (NUM). It even becomes involved in such contentious details as how fair was the NUM strike ballot.

Good and bad

The report's conclusions are a mixture of good and bad news.

First the good news. "We do not believe that 1985 will be a watershed year. We do not envisage that a massive strike actually will be called, however close this may appear to be ... The watershed will come, in our view, in 1987 or soon thereafter."

The bad news from researchers David Gleason, Pat Geoghegan and Hilton Ashton is that the rest of 1985 is expected to be punctuated by lightning stoppages, by the adoption of work-to-rule procedures, by the stratagem of half-shifts and by a marked increase in complaints both of racial preju-

dice and of unfair work practices.

"Gone forever are those good old days when investors knew with a fine degree of certainty that the things they needed to judge in terms of a risk on a gold mine were technical factors — water, pressure bursts, fires, plant reliability.

"To those must now be added the tiresome human dimension. Labour may be withdrawn or it may work to rule or work half-shifts only. It may make unreasonable pay demands or take action in any one of a myriad ways, the end result of which will be to increase costs and decrease profitability."

The researchers believe it is the threat of a strike which carries the greatest impact and not the strike itself.

That opinion provides one plausible reason for NUM general secretary Cyril Ramaphosa's action in twice delaying a strike — after the ballot of his members until last week's congress and then again until August 25.

Stockpiles

The NUM says the time is needed to prepare for the strike. But the delay also gives mine managements time to prepare their strategy and build up ore stockpiles so that gold treatment plants can be kept working even if

underground production is stopped.

The researchers say that if a strike is called, mine management is given the option of retaliating by firing strikers. In a situation where both sides play their hands out to the last, there is no real winner.

The worker loses his job and the company loses profits.

The loss of profits can be severe as the researchers show by using Vaal Reefs as an example. There was a strike there on April 26 and 14 000 workers were dismissed.

Vaal Reefs South Division normally produces 9.3 tons of gold a quarter. In the June quarter production was reported as 6.3 tons.

Flexibility

The researchers believe production could have been as low as five tons with the 1.3 ton balance made up from gold held in reserve.

The whole Vaal Reefs complex is helping the South Division by stopping all development and concentrating on stop production. Development will be resumed next year. This will be possible because the mine has some flexibility built into previously developed ore reserves.

The researchers estimate Southvaal's total dividend for 1985 could drop to 50c compared with 55c at normal

production levels. Vaal Reefs' dividends could fall to 175c from 179c because of the effects of the strike.

The researchers' bottom-line conclusion is that there will be no major confrontation this year because NUM is not yet strong enough to win one.

Change on way

That is going to change.

"One thing is certain: union strength will continue to grow and the rate at which it acquires new members will be an exponential phenomenon — it will not be a gradual process.

"It is certainly possible to foresee that by 1987 perhaps all blacks on the gold mines will be organised into unions and most of those in the coal industry too.

"Which of the various unions will be predominant is not too difficult to predict: the NUM is easily the best equipped and most professional while it also has access to excellent advice and to assistance from international trade-union organisations."

When the NUM believes it is strong enough, it will move against the Chamber of Mines as a whole or pick on what it may see as a softer target among the individual mining houses, say the researchers.

CSO: 3400/996

SOUTH AFRICA

PROPERTY RESALE PRICES EXAMINED

Johannesburg BUSINESS DAY in English 21 Aug 85 p 10

[Article by Alison Goldberg]

[Text]

PUTTING paid to the belief that buying a house in the mink-and-manure belt will ensure better resale values, the Perm Building Society says that, in real terms, southern suburb house price falls have been less severe than in northern suburbs.

The Perm had recorded declines of only 10% to 15% in the south as opposed to an average 20% recorded in the north over the previous year. This is in line with UBS findings of greater falls in the West Rand, where house prices are normally higher than East Rand ones.

Taking an inflation rate of 16% into account, UBS' nominal changes in the East and West Rand work out at -16% and -22% respectively in real terms. Prices of upper-income homes, regardless of population group, have shown similar instability countrywide.

NBS assistant GM loans Trevor Olivier says in one of their Durban branches which deals primarily with the Indian population group prices above R150 000 have been fluctuating — but volumes are there.

In the R85 000 and above bracket, there is no visible drop, prices are stable and volumes reasonable. Demand for homes of R85 000 and below, he says, is tremendous. Again, prices are stable but volumes are good.

Olivier says in their Pinetown and

Durban Central branches experience had shown that replacement cost had risen by roughly 7% in the last six months. Prices for homes in these areas over R150 000 were down slightly.

A couple of months ago there was a large drop in houses priced over R100 000, but then the market recovered. Therefore, though volumes are down, there is now a definite improvement. And in the R100 000 and below bracket, prices have shown to be stable but volumes of sales are down.

In the black and Indian markets around the country the Perm found that there has been continued high demand for housing and no price reductions.

In Durban and Johannesburg, it found prices under R70 000 had remained relatively stable, but between R70 000 and R100 000 there were price fluctuations.

Both the Allied and the Eastern Province Building Society report continued demand for housing bonds despite the recession.

Allied's Geoff Bowker said during each of the past three months the Allied has lent more than it did during any one month last year.

For the Eastern Cape, UBS's nomi-

nal figures reflected in real terms an annual fall of 19%.

Confirming UBS figures, EPBS loans and property manager Ron Cleland says the fall in prices was beginning to manifest itself late last year and by January had already shown a 15% fall.

To varying degrees, he said, East London and the rest of the Eastern Cape have not been as adversely affected as the greater PE area. The EPBS in PE, he said, was lucky, however, and unlike other societies was not having to recall loans.

"Six months ago, one in every three Friday editions of the local newspaper carried a sale in execution but the situation has changed dramatically. Now sales in execution appear every Friday."

Another indicator of the PE market Cleland points to is the oversupply in the flat rental market, which will be further exacerbated by new developments coming on stream in the near future.

"But I don't expect a further drop in house prices, and we have a good slice of the market. Ford's move from PE obviously put a lot more properties on the market. The reason for price falls is not because of the political situation but the poor economy."

Both Cleland and PE's largest estate agency, Hancock Residential Sales, discounted rumours of fleeing home-owners due to local unrest.

CSO: 3400/996

SOUTH AFRICA

BARCLAYS SLASHES HOME LOAN RATES

Johannesburg BUSINESS DAY in English 21 Aug 85 pp 1, 3

[Article by Lesley Lambert]

[Text]

RELIEF is at last in sight for bond-holders. Barclays will cut its home loan rates by up to two percentage points at the end of September and building societies are expected to lower their rates in October.

This follows yesterday's announcement that the prime overdraft rate will drop to 19.5% as a result of the Reserve Bank's measures to encourage greater confidence in the economy.

The bank will adjust its home loan rates for new business by two percentage points and for loans over R40 000 by one percentage point to 21.5% from September 23 — bringing them in line with its present rate for loans under R40 000.

Other banks, including Standard, are reviewing home loan rates.

Barclays' senior GM Jimmy McKenzie said he did not expect this to generate new home loan business for the bank.

"We are reducing our rates because we believe it is time to give relief to our clients," he said.

The move by Barclays is expected to lead to a drop in mortgage rates by building societies.

Society chiefs have told *Business Day* that although their bond rates will not be immediately affected by the Reserve Bank's action, they could be expected to fall between one to two percentage points by about mid-October.

Most building society bond rates for the R60 000 plus category are presently pitched at 21.5% (see table) for new and existing bonds, while rates for smaller categories range between 18.25% and 20%.

Rates for bank mortgage loans are higher. In the R40 000 category they range between 21.5% and 24% for exist-

ing loans, while rates for new loans in all categories range between 21% and 24%.

Unlike the banks, building societies respond more slowly to market conditions because a large percentage of their book consists of long-term fixed deposits.

Though their average cost of funding has fallen in line with the interrupted downward trend in interest rates, most societies have been reluctant until now to commit themselves to a date for a cut in mortgage rates.

According to UBS MD Piet Badenhorst, rates can be expected to ease in two months.

"We will monitor interest rates for the next two weeks to see which way they are tending. If they continue to move downwards we will begin to inform our borrowers of reductions."

SA Perm MD Bob Tucker is optimistic of a one- or two-percentage-point reduction in bond rates in about two months. The Perm normally reduces its rates for various categories at the same time.

Tucker believes the drop in prime will probably trigger the downward trend in fixed deposit rates which hardened slightly a few weeks ago.

A reduction of about one percentage point for Allied bonds over R60 000 is expected in October, according to deputy MD Alan Tindall.

However, the downward movement may not immediately permeate to smaller bonds.

"We would like to abolish differential rates for various categories to enable people to borrow bigger amounts more cheaply."

"The drop in prime will hasten the flow of cheaper money into the building society mix of funds."

Fixed deposits take up between 30% and 35% of each societies' book and shares take up a further 25%. If rates for these categories fall, bond rates will follow."

• NBS GM Brian Short said while it is possible that some societies may reduce rates for new bonds within four weeks, relief for existing bondholders will probably take between six and eight weeks to filter through. NBS will reduce rates by no more than one percentage point, initially, he said.

Latest figures from Pretoria show that demand for some building society bonds has picked up since May, despite a huge decrease in the number of bonds issued during the first four months of the year.

The increase comes on the heels of a dismal first quarter. Bonds issued for house construction decreased by 1 631 to 2 024 during the January-April period compared with the first four months of last year. The amount involved fell by R74,074m to R100,782m.

Bonds issued for the purchase of existing houses, and dwelling units under sectional title, also fell sharply from 17 472 last year to 11 426. Amounts involved declined from R762,114m to R535,644m.

CSO: 3400/996

SOUTH AFRICA

SIEMENS' COMPETITORS PROTEST USE OF SABS MARK

Johannesburg SUNDAY TIMES (Business) in English 18 Aug 85 p 28

[Article by Don Robertson]

[Text]

SIEMENS, one of the largest electronics groups in South Africa, has been using the SA Bureau of Standards mark on its circuit breakers without authorisation for the past 10 months.

Rival manufacturers claim they have lost business to Siemens as a result.

Ignorance

Siemens was told last October that it was not permitted to use the SABS mark on its moulded-case circuit breakers (Mccbs). But in advertising material and in brochures, Siemens indicates that more than 400 products in the range carry the mark.

Some of its products carrying the SABS mark are still available at electrical outlets.

Ian Grant, director of electrical engineering at the bureau says: "The only manufacturers which have permits to use the SABS mark for SABS 156 are Fuchs Electrical Industries, Heinemann Electrical SA, African Electric and Merlin Gerin SA."

Billy Batten, divisional manager for standard products at Siemens, says that up to a year before the product was launched in June 1984, SA-made products in the 1.5kA and 5kA range were

submitted to the SABS for permission to use the mark.

"In our ignorance and enthusiasm, we allowed them to be produced with the SABS mark.

"We were verbally informed by the SABS last August that we were not allowed to use the mark."

Apology

Siemens apologised to the SABS, saying the error was caused through a misunderstanding by staff.

When Siemens was told officially last October that it was using the mark without authorisation, it gave an instruction that the mark be removed from production runs.

However, the company has not ensured that products which were distributed earlier to retailers and wholesalers were removed from shelves.

In June this year, the technical publication, Vector, carried a brochure in which the products were shown with the SABS mark. Another brochure, also published in June, contains pictures of the circuit breakers with the SABS mark.

Mr Batten says the inserts were part of an old batch of brochures which were inadvertently published in the magazine. The brochures, printed in Germany, mistakenly contained pictures of the circuit breakers with the mark "because of a lack of

communication between ourselves and the German parent".

Quality

Mr Batten says, however, that the Mccbs do have the SABS approval in terms of the code of practice for wiring. SABS approval means the product complies with certain technical specifications, and the SABS mark ensures quality control.

Mr Batten concedes that Siemens is not entitled to use the mark. "From our earlier discussions with the SABS, we did not think that we would have a problem and we went ahead and manufactured the breakers with the SABS mark."

Competitors say many public tenders call for SABS-mark products and adjudicators could be misled into believing that Mccbs from Siemens qualified.

The Johannesburg Municipality stipulates that if a supplier cannot deliver a product with the SABS mark, it may source the appropriate replacement product with the SABS mark from another supplier and charge all expenses to the disqualified supplier.

The Department of Manpower is supposed to ensure that all premises are wired to the SABS 0142 code of practice, which calls for the use of SABS-marked circuit breakers.

SOUTH AFRICA

INDUSTRIAL COURT RULING ON STAYAWAYS SETS PRECEDENT

Johannesburg THE STAR in English 21 Aug 85 p 21

[Article by Sheryl Raine]

[Text] Employers who have up until now regarded worker stayaways as politically-inspired events beyond their usual working relationship with their employees may have to rethink their position following a recent Industrial Court ruling. Sheryl Raine reports on the court's opinion concerning these dismissals.

The Industrial Court has handed down a significant ruling and clearly set down its opinion concerning the dismissal of employees during worker stayaways.

In his recent ruling on a case involving the SA Laundry, Dry Cleaning, Dyeing and Allied Workers' Union and Stork Napkins, Mr MAE Bulbulia ordered the reinstatement of 11 workers who were dismissed on November 6 last year.

His ruling is of widespread interest to workers as well as employers, who face the dilemma of whether or not to take disciplinary action against those who fail to report for work during stayaways and whose workers are subjected to intimidation.

Mr Bulbulia supported the union's argument that an employer could not take a myopic view of his relationship with employees.

He dismissed Stork's view that political stayaway action and intimidation by other per-

sons were irrelevant to the contractual relationship between employee and employer — and to an employee's duty to obey instructions.

The Stork workers, all women with children, ignored the two-day stayaway call arranged for November 5 and 6 last year and reported for work on November 5.

On that day in Soweto, between 40 and 60 percent of the workforce stayed away.

The union said workers who reported for work endangered their lives.

Stork and the union agreed that threats, intimidation and violence were present in the stayaway and that workers were afraid of violence.

Some workers feared their houses would be burned down if it became known they had gone to work.

During the course of November 5, shop stewards asked management to allow workers to go home at 2 pm. Management said 2 pm was too

early and that workers could go home at 3.30 pm. Stork also offered workers blankets and bread if they wished to sleep at the company's premises.

Workers said they would still have to catch a 4.30 pm train if they left at 3.30 pm. Twenty-three workers left without permission at 2 pm.

Stork had informed workers on Friday November 2 that anyone who did not report for work on November 5 and 6 without a valid excuse would be dismissed.

However, seven workers who did not report for work on November 5 and 6 were not dismissed.

The court found that employees who reported for work during the stayaway faced a "cruel dilemma".

Some stayed at home and ran the risk of being fired. Others came to work and performed their duties as usual. Others, less brave, came to work but left at 2 pm to "evade the wrath of those who had agitated in favour of the stayaway call".

"Witness Miss Patience
Mondi summed up the attitude of this last group of employees when she said that although she was aware her employer would not be happy at her leaving at 2 pm, she valued her life more than her employer's happiness," Mr Bulbulia said.

He found employees who reported for work ended up being "dramatically worse off than all those who had not reported at all".

He ruled that Stork's neglect, failure and or refusal to hold a proper inquiry prior to the dismissal of the employees as well as the discrepant manner in which the company treated workers who left early and those who did not report for work at all, constituted unfair labour practices.

He ordered the dismissed workers be reinstated. He also said seven of the 11 must be reinstated retrospectively to February 1 and that they be paid the remuneration due to them for normal hours of work had their employment not been terminated.

CSO: 3400/996

SOUTH AFRICA

DE KOCK ANNOUNCES REVERSE BANK RATE

Johannesburg BUSINESS DAY in English 20 Aug 85 p 9

[Text]

WITH THE approval of the government, the Reserve Bank has decided to implement — with immediate effect — the recommendations of the Commission of Inquiry into the Monetary System and Monetary Policy relating to the future role of discount policy and Bank rate in South Africa.

Basically, this means two things: **•** Firstly, the Reserve Bank will make increased and more clearly defined use of its discount policy as a means of influencing the money supply, interest rates and total spending — as an integral part of overall economic stabilisation policy.

This will be done in close co-ordination with the other main instruments of monetary policy, including public debt management and open-market operations.

• Secondly, the Reserve Bank will reintroduce the traditional "Bank rate" as its formal rate for rediscounting Treasury bills for the discount houses. This rate will be set and varied at the Bank's initiative within the official monetary policy framework.

The element of discretionary judgment involved in this procedure will be constrained by the need to meet any targets that might in future be set for money supply growth, as well as by the close interrelationship that exists between the money supply, interest rates and exchange rates.

With effect from Tuesday, August 20, 1985, the Reserve Bank will set its new formal Bank rate at 16%. This means, in effect, a reduction of 1.75 percentage points in the Bank's rediscount rate for Treasury bills for discount houses from its present level of 17.75%.

At the same time the Reserve Bank will reduce its rediscount rates for discount houses for Land Bank bills from 18.00% to 16.25%, and for liquid bankers' acceptances from 18.25% to 16.50%. Corresponding decreases will be effected in the Reserve Bank's rediscount rates for banks and in its interest rates on overnight loans to discount houses and banks.

It is anticipated that the Bank rate reduction will lead to a further decline in the prime overdraft rate of the commercial banks from its present level of 21% to between 19% and 20%. In due course, decreases in building society mortgage rates may also be expected.

The inducement for banks and their borrowing clients to use offshore credits will not be diminished, as the Reserve Bank will make appropriate adjustments to the margins it quotes on forward exchange.

In taking this step the Reserve Bank was influenced by the following considerations:

• It is now abundantly clear that the restrictive monetary policy applied since August 1984 and the fiscal measures introduced in the March 1985 Budget have fully achieved their initial objective of curbing total private and public

sector spending — i.e., the money supply multiplied by its velocity of circulation.

Real gross domestic expenditure has now declined for five consecutive quarters. During the second quarter of 1985 it reached a level 9% below that of the second quarter of 1984. Marked declines occurred over this period in all the main components of real expenditure, particularly in spending on durable consumer goods.

In addition, the annualised rates of growth of the money supply aggregates slowed down during the first half of 1985 to 7.2% in the case of M1, 10.6% in the case of M2 and 12.7% in the case of M3.

Together with the latest statistical information on output, employment, sales and imports, these expenditure and money supply figures clearly show that excess demand or overspending has now been eliminated from the economy. Indeed, the real growth rate is at present negative and the lower turning point of the business cycle has probably not yet been reached.

As predicted, the rate of inflation has accelerated thus far in 1985, mainly owing to the delayed effects of the depreciation of the rand since September 1983, the related increases in administered prices and the increase from 10% to 12% in the general sales tax announced in the March Budget. As these effects peter out, however, the rate of inflation should begin to decline.

● The second major objective of the existing monetary and fiscal strategy — namely, the transformation of the deficit in the balance of payments on current account into a surplus — has also been attained.

Taken at seasonally-adjusted annual rates, the current account changed from deficits of R2,5bn during the first quarter of 1984, R2,0bn during the second quarter and R2,1bn during the third quarter, to surpluses of R0,6bn during the fourth quarter of 1984, R4,3bn during the first quarter of 1985 and R5,4bn during the second quarter.

It now looks likely that the current account surplus for 1985 as a whole will be of the order of R5bn. This would be equal to about 4% of gross domestic product, which is large by any standard.

● Substantial repayments of short-term foreign loans and credits have been made by the banking sector and private companies since September 1984. This has contributed to a decline in South Africa's net short-term foreign liabilities of about R5bn during this period.

● The net official gold and foreign exchange reserves of the banking sector increased by R1,4bn during the second quarter of 1985.

● Since the introduction of the Budget in March 1985 the "mix" of fiscal and monetary policy has improved greatly. After seasonal adjustment there has been a

marked reduction in both the rate of increase of government spending and the "deficit before borrowing".

In addition, the government sector has made no net additional use of bank credit thus far in the present fiscal year. Indeed, after seasonal adjustment, the net claims of the banking sector on the government sector actually declined by R442m during the April-June quarter.

● In its open-market operations, the Reserve Bank has already sold a net amount of R2,3bn of "tap" government stock for the 1985/86 financial year, as well as special tax anticipation Treasury bills of R600m. Against this has to be set redemptions of government stock of R660m.

The various developments and circumstances outlined above more than justify a further moderate easing of monetary policy in the form of a reduction in interest rates.

The elimination of excess demand and the achievement of a large and sustainable surplus on the current account of the balance of payments have paved the way for a resumption of real economic growth.

Moreover, the increased effectiveness of fiscal policy since the introduction of the March Budget in itself creates additional scope for justifiable interest rate reductions.

This conclusion is not fundamentally changed by the present abnormal political conditions prevailing in South Africa, including the township unrest, the state of emergency proclaimed in certain magisterial

districts and the intensified threats of economic sanctions.

Undoubtedly, these political developments have adversely affected overseas perceptions of the prospects for the South African economy and have resulted in some withholding of foreign capital and bank credit.

T

his has been accompanied by a marked depreciation of the rand and a reversal of the downward movement shown by interest rates since March 1985. If the downward pressure on the rand had been associated with excessive money creation and overspending — as was the case during the first half of 1984 — the appropriate response of monetary policy would have been to allow interest rates to rise.

But in the present recessionary conditions the situation calls for monetary measures to prevent the recent political developments from bringing about an undue contraction of money and credit accompanied by rising interest rates.

Monetary stability must and will be maintained. But now that overspending has been eliminated, an unduly restrictive policy stance must be avoided. The rates of increase of money and credit must be kept low enough to avoid rekindling the fires of inflation or harming the balance of payments, but high enough to promote rising investment, output and employment.

SOUTH AFRICA

BIG 5 TO CUT PRIME RATES

Johannesburg BUSINESS DAY in English 21 Aug 85 p 1

[Article by John Tilston]

[Text]

THE big five banks will cut their prime lending rate to 19.5% from the current level of 21% early next month.

The banks announced the new rate separately yesterday in the wake of the 1.75% cut in the Reserve Bank's rediscount rate, now to be known as the Bank Rate.

The new rate will apply from September 2 for Standard, Barclays, Nedbank and Trust. Volkskas will cut its prime rate on September 9.

Both FCI and Assocom yesterday welcomed the move. FCI executive director Johan van Zyl said its significance lay not so much in the size of the interest rate cuts as in the continuing trend they represented.

Assocom economist Bill Lacey said the cuts were sensible in the economic and political circumstances. "The further reduction in interest rates will bring a measure of relief to businessmen already hard pressed by the recession and related factors."

Van Zyl said the rate cuts would be particularly beneficial to smaller businesses, most of which had concentrated on survival during the recession.

The short-term money market reacted swiftly to the new Bank Rate. In a market not short of funds — yesterday's market shortage was R80m — the bell-weather 90-day liquid BA rate shed 110 points to be fixed at 18.50%. In later dealing it traded down to very close to 18%. Also, the overnight call rate was, in the words of one dealer, "encouraged downwards" to 18.25%, a drop of 2% from previous levels.

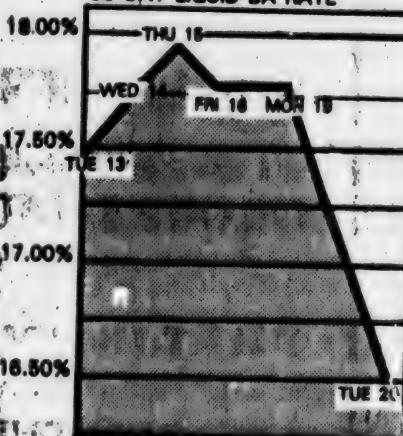
The decreasing shortage of funds in the market is the result of increasing flow of

export receipts, buoyed by a high rand price of gold. Dealers believe it is possible there will be no need for Reserve Bank accommodation tomorrow.

The end of August is traditionally a "tight" period when gold mines and provisional taxpayers have to find money for the Receiver of Revenue. But dealers are optimistic the market can handle what's in store, suggesting that rates may not hiccup upwards too much.

In line with the general easing in interest rates, hire purchase rates for new deals and those tied to prime will come down at the same time as prime, though only by 0.5% to 0.75%, according to Wesbank MD Peter Thompson. The mix of long and short-term funding of the general banks means instalment rate cuts are traditionally lower than cuts in prime.

**SHORT-TERM RATES RESPOND
90-DAY LIQUID BA RATE**



SOUTH AFRICA

APRIL-JULY EXCHEQUER ACCOUNT FIGURES GIVEN

Pretoria GOVERNMENT GAZETTE in English/Afrikaans 16 Aug 85 pp 16-18

[Text]

No. 1815

16 August 1985

Statement of Receipts into and Transfers from the Exchequer Account for the period 1 April 1985 to 31 July 1985.

Treasury, Pretoria.

No. 1815

16 Augustus 1985

Staat van Ontvangste in en Oordragte uit die Skatkisrekening vir die tydperk 1 April 1985 tot 31 Julie 1985.

Tesourie, Pretoria.

RECEIPTS—ONTVANGSTE

Head of Revenue	Inkomsoof	Month of July		Total 1 April to 31 July	
		1985	1984	1985	1984
Exchequer Balance, 31 March 1985.....	Skatkusaldo, 31 Maart 1985.....	R	R	R	R
Exchequer Balance, 30 June 1985.....	Skatkusaldo, 30 Junie 1985.....	98 063 636	—	533 229 222	—
<i>State Revenue Account</i>	<i>Staatinkomstverhouding</i>				
Inland Revenue: Customs and Excise.....	Binnelandse Inkomste: Doeane en Aksyne.....	Dr 2 603 441 457 72 449 769	Dr 1 631 217 579 21 361 238	7 907 535 774 313 532 103	5 514 985 252 412 990 072
National Road Fund.....	Nationale Padfonds.....	R 2 530 991 688	R 1 629 856 341	R 8 221 067 877	R 5 927 975 324
State Oil Fund.....	Staatoliefonds.....	—	12 687 052 23 317 492	3 101 131 2 640 274	57 283 301 104 199 826
S.A. Development Trust Fund.....	S.A. Ontwikkelingsrustfonds.....	979 000	761 000	3 718 000	6 538 005
Sorghum Beer Research Fund.....	Fonds vir Sorghumbiernavorsing.....	1 107	—	1 107	—
S.W.A. Territorial Revenue Fund.....	S.W.A. Gebiedsinkomstefonds.....	—	—	150	2 040
<i>Other Receipts</i>	<i>Ander Ontvangste</i>	R 980 107	R 36 765 344	R 9 460 662	R 168 023 172
Treasury Bills: Internal.....	Skatkubiljette: Binnelandse.....	R 2 531 971 795	R 1 666 621 883	R 8 230 528 539	R 6 093 998 496
Internal Stock, Bonds and Loans Raised:					
Indefinite Period Treasury Bonds.....	Onbeperkte Termyn Tesourie-obligasies.....	1 139 283 000	—	5 377 211 000	—
Indefinite Period National Defence Bonds.....	Onbeperkte Termyn Nasionale Verdedigingsobligasies.....	10 026 600 1 881 650	—	24 181 000 4 660 300	—
Internal Registered Stock:	Binnehande Geregistreerde Effekte:				
15.5%, 1990.....	15.5%, 1990.....	—	—	1 437 000 000	—
16%, 1986.....	16%, 1986.....	—	—	(88 475 000)*	—
15%, 1988.....	15%, 1988.....	—	—	500 000 000	—
14.5%, 2006.....	14.5%, 2006.....	—	—	(16 822 000)*	—
13%, 1994.....	13%, 1994.....	—	—	350 000 000	—
14%, 1992.....	14%, 1992.....	—	—	(27 800 000)*	—
14.5%, 1987.....	14.5%, 1987.....	—	—	168 000 000	—
14%, 1987.....	14%, 1987.....	—	—	(20 579 000)*	—
Foreign Loans and Credits raised:	Binnelandse Lenings en Kredite oppeneem:				
1978.....	1978.....	—	—	300 000 000	—
1983/91.....	1983/91.....	—	—	(17 209 000)*	—
1981/86.....	1981/86.....	—	—	500 000 000	—
Summons, Revenue Services 1984/85.....	Terugsorings, Inkomsoefense 1984/85.....	139 426 1 912 897	—	(27 966 000)* 130 000 000 (830 000)* (2 818 000)*	—
				74 266 617 146 341 464 6 247 212 6 112 897	—

*Less Discount RSA Stocks	R	1 620 763 573 20 800 000	—	9 094 020 690 202 499 000	—
Appropriation Account: House of Assembly					
Inland Revenue	R	1 599 963 573	—	8 891 521 690	—
Transfer from State Revenue Account	R	4 131 935 368	—	17 122 050 229	—
Appropriation Account: House of Representatives					
Inland Revenue	R	284 167 000	—	1 142 082 918 221 000	—
Transfer from State Revenue Account	R	284 167 000	—	919 363 082	—
Appropriation Account: House of Delegates					
Inland Revenue	R	14 139 100 000 000	—	14 161 400 000 000	—
Transfer from State Revenue Account	R	100 014 139	—	400 014 161	—
Total (including Opening Balance)	R	4 656 934 380	—	19 148 618 139	—

ISSUES—UITBETALINGS

Service	Dienste	Estimates Begroting		Month of July Maand Julie		Total April to 31 July Totaal April tot 31 Julie	
		1983/84	1985	1984	1985	1984	
State Revenue Account	Staatsinkomstrekkening						
Votes	Begrotingsposte	R	R	R	R	R	R
1. State President	Staatspresident	10 906 000	875 000	963 416	3 500 000	3 441 664	
Statutory Amount	Statutêre Bedrag	266 000	22 170	13 083	88 680	52 332	
2. Parliament	Parlement	19 736 000	1 755 000	849 000	6 357 000	3 705 000	
Statutory Amount	Statutêre Bedrag	12 036 000	1 000 000	547 000	3 992 000	2 190 000	
3. Transport	Vervoer	503 340 000	55 568 000	60 400 000	154 136 000	119 233 000	
4. Constitutional Development and Planning	Buiseleerde Sake	5 350 229 000	437 058 000	377 737 000	1 872 152 000	1 564 561 000	
5. Foreign Affairs	Statutêre Bedrag	1 177 616 000	90 000 000	40 050 000	375 800 000	158 200 000	
Statutory Amount	Statutêre Bedrag	700 000	57 000	10 040 000	228 000	40 160 000	
6. Home Affairs	Binnelandse Sake	46 174 000	3 502 700	15 911 768	15 446 100	443 947 851	
7. Commission for Administration	Kommisie vir Administrasie	63 702 000	15 371 000	882 000	53 331 000	31 038 000	
8. Improvement of Conditions of Service	Verbetering van Dienstvoorraande	235 000 000	3 261 720	—	3 261 720		
9. National Education	Nasionale Opvoeding	107 336 000	6 300 000	15 700 000	33 384 000	420 400 000	
10. Police	Police	954 709 000	79 500 000	51 000 000	361 000 000	282 300 000	
11. Public Works and Land Affairs	Openbare Werke en Grondsaak	1 119 001 000	98 000 000	48 000 000	340 000 000	327 000 000	
12. National Health and Population Development	Nationale Gesondheid en Bevolkingsonwikeleing	1 336 416 000	148 730 000	162 000 000	472 730 000	585 000 000	
Statutory Amount	Statutêre Bedrag	302 000	17 000	14 600	68 000	58 400	
13. Administration: House of Assembly	Administrasie: Volksraad	387 849 000	—	—	918 221 000		
Statutory Amount	Statutêre Bedrag	1 925 932 000	284 167 000	—	—		
14. Co-operation and Development	Samewerking en Ontwikkeling	2 159 657 000	208 333 000	102 000 000	641 926 800	387 000 000	
Statutory Amount	Statutêre Bedrag	276 851 000	23 070 000	18 000 000	92 280 000	133 000 000	
15. Education and Training	Onderwys en Opleiding	917 486 000	75 000 000	60 000 000	281 000 000	249 000 000	
16. Defence	Weermag	4 274 108 000	338 600 000	312 000 000	1 536 000 000	1 558 300 000	
17. Manpower	Mannetjie	127 973 000	8 000 000	5 500 000	31 400 000	27 807 000	
18. Trade and Industry	Handel en Nywerheid	954 137 000	60 000 000	42 000 000	280 000 000	238 760 000	
19. Justice	Justisie	177 075 000	14 000 000	11 000 000	56 300 000	43 500 000	
Statutory Amount	Statutêre Bedrag	9 379 000	780 000	750 000	3 060 000	3 923 000	
20. Prisons	Gevangenis	358 796 000	27 328 000	27 366 000	132 114 000	125 343 000	
21. Agricultural Economics and Marketing	Landbou-economie en -markting	378 959 000	154 000 000	87 700 000	300 000 000	267 700 000	
22. Water Affairs	Waterwese	248 030 000	23 500 000	—	83 200 000	—	
23. Mineral and Energy Affairs	Mineral- en Energie sake	627 553 000	49 000 000	Dr 4 000 000	258 933 000	140 500 000	
24. Finance	Finansies	993 162 000	81 750 000	85 000 000	304 750 000	277 000 000	
Statutory Amount	Statutêre Bedrag	5 093 377 000	354 525 000	242 583 000	1 841 891 000	1 487 413 000	
25. Audit	Oudit	(615 000 000)*	(20 800 000)*	(25 714 000)*	(202 499 000)*	(215 519 000)*	
26. Environment Affairs	Omgewingsake	11 986 000	999 000	878 000	3 996 000	3 680 000	
27. Administration: House of Representatives	Administrasie: Raad van Verenwoordigers	122 928 000	9 700 000	33 700 000	42 000 000	131 100 000	
28. Administration: House of Delegates	Administrasie: Raad van Afgevaardigdes	261 770 000	—	—	—	—	
Statutory Amount	Statutêre Bedrag	1 070 107 000	100 000 000	—	400 000 000	—	
*Less Discount R.S.A. Stocks	R	32 074 981 000	2 796 669 390	2 037 586 867	11 076 046 300	8 857 315 247	
	R	613 000 000	20 800 000	25 714 000	202 499 000	215 519 000	
*Less Discount R.S.A. Stocks	R	31 459 981 000	2 775 869 390	2 011 872 867	10 873 547 300	8 641 796 247	
Standing Appropriations	Staatsde Toewysings						
National Road Fund	Nasionale Padfonds	—	—	2 687 052	3 101 131	47 283 301	
State Oil Fund	Staatsoliefonds	—	—	23 317 492	2 640 274	104 199 826	
S.A. Development Trust Fund	S.A. Ontwikkelingstrustfonds	20 500 000	979 000	761 000	3 718 000	6 538 003	
Sorghum Beer Research Fund	Fonds vir Sorghumbermavoring	1 800 000	1 107	—	1 107	—	
S.W.A. Territorial Revenue Fund	S.W.A. Gebiedsinkomstefonds	1 000	—	—	130	2 040	
	R	22 301 000	980 107	26 765 544	9 480 662	138 023 172	
	R	31 482 282 000	2 776 849 697	2 038 638 411	10 883 007 962	8 799 819 419	

<i>Other Issues</i>	<i>Ander Uitbetalingen</i>				
Treasury Bills repaid: Internal.....	1 229 026 000	—	5 695 112 000	—	
Tax Redemption Certificates repaid.....	21	—	21	—	
Loan Levy repaid	1 031 198	—	4 457 481	—	
Currency Subscription, I.B.R.D.....	—	—	14 876 784	—	
Currency Subscription, I.D.A.....	—	—	83 000	—	
I.M.F.: Valuation Adjustment.....	—	—	1 294	—	
Internal Stock, Bonds and Loans Redeemed:					
8% National Defence Bonds.....	50 200	—	964 250	—	
7% Treasury Bonds.....	145 200	—	1 674 000	—	
Second Series 8% Treasury Bonds.....	227 000	—	1 046 500	—	
Indefinite Period Treasury Bonds.....	3 418 100	—	17 128 100	—	
Indefinite Period National Defence Bonds.....	1 002 550	—	3 865 300	—	
Defence Bonus Bonds.....	—	—	84 517 315	—	
Internal Registered Stock:					
9.75%: 2001.....	222 000	—	222 000	—	
11.5%: 2001.....	127 000	—	127 000	—	
10.35%: 2001	1 023 000	—	1 023 000	—	
9.8%: 2001	1 874 250	—	1 874 250	—	
9.25%: 2002	1 764 800	—	1 764 800	—	
9.25%: 2004	3 358 950	—	3 358 950	—	
9.0%: 2004	934 000	—	934 000	—	
9.375%: 2004	1 356 500	—	1 356 500	—	
15%: 1985	—	—	500 000 000	—	
5.5%: 1985	—	—	45 707 408	—	
10.5%: 1992	337 000	—	337 000	—	
10%: 1996	112 500	—	112 500	—	
11%: 1997	1 361 120	—	1 361 120	—	
11%: 1998	1 412 050	—	1 412 050	—	
10.75%: 1999	536 500	—	536 500	—	
10.25%: 2000	324 660	—	324 660	—	
10.625%: 2000	571 000	—	571 000	—	
10%: 2000	739 000	—	739 000	—	
10.5%: 2000	663 200	—	663 200	—	
Foreign Loans and Credits Redeemed:					
1978	—	—	66 535 740	—	
1983/87	—	—	23 540 899	—	
1981/86	—	—	6 491 720	—	
1976	—	—	33 232 825	—	
1984/87	—	—	54 913 936	—	
1985	—	—	26 793 456	—	
Issues, Revenue Services 1984/85	—	—	1 583 000	—	
	R	1 278 431 255	—	6 599 302 549	—
Total State Revenue Account	R	4 035 280 952	—	17 482 310 311	—
Appropriation Account: House of Assembly.....	R	284 167 000	—	918 221 000	—
Appropriation Account: House of Representatives	R	100 000 000	—	400 000 000	—
Appropriation Account: House of Delegates	R	42 700 000	—	173 300 000	—
Totals	R	426 867 000	—	1 491 521 000	—
Exchequer Balance, 31 July 1985	R	4 482 147 952	—	18 973 831 311	—
Totals	R	174 786 628	—	174 786 628	—
	R	4 656 934 580	—	19 148 618 139	—

CSO: 3400/997

SOUTH AFRICA

JANUARY-JUNE TRADE STATISTICS RELEASED

Pretoria GOVERNMENT GAZETTE in English/Afrikaans 9 Aug 85 pp 50-51

[Text]

NOTICE 488 OF 1985—KENNISGEWING 488 VAN 1985

P.5.01

PRELIMINARY STATEMENT OF TRADE STATISTICS OF THE REPUBLIC OF SOUTH AFRICA RELEASED BY THE COMMISSIONER FOR
CUSTOMS AND EXCISE
VOORLOPIGE OPGawe VAN HANDELISTATISTIEK VAN DIE REPUBLIEK VAN SUID-AFRIKA VRYGESTEL DEUR DIE KOMMISSARIS
VAN DOEANE EN AKSYNS

Remark.—The import and export figures reflected in this statement have been adjusted largely to bring them into line with the requirements for the compilation of the balance of payments

Opmerking.—Die in- en uitvoersyfers wat in hierdie opgawe verskyn is grootliks aangepas om dit in ooreenstemming te bring met die vereistes wat gestel word vir die opstel van die betalingsbalans

PERIOD: JANUARY—JUNE 1985—TYDPERK: JANUARIE—JUNIE 1985

TABLE A: TOTALS IN MILLIONS OF RAND ACCORDING TO WORLD ZONES AND SHIPS' AND AIRCRAFT STORES
TABEL A: TOTALE IN MILJOENE RAND VOLGENS WERELDSTREKE EN SKEEPS- EN VLIEGTUIGVOORRADE

World zones—Wêreldstreke	Imports—Invoere		Exports—Uitvoere	
	1985	1984	1985	1984
Africa—Afrika	206,1	207,0	826,9	424,4
Europe—Europa	5 226,5	4 437,4	4 278,5	3 042,1
America—Amerika	1 865,9	1 971,2	1 633,1	1 138,3
Asia—Asië	1 599,9	1 844,3	2 491,4	1 419,5
Oceania—Oseanië	149,6	106,1	95,7	92,4
Other unclassified goods and balance of payments adjustments Ander ongeklassifiseerde goedere en betalingsbalansansuiwerings	2 116,1	1 590,1	7 130,5	5 324,2
Ships'/Aircraft stores—Skeeps-/vliegtuigvoormade	—	—	23,7	16,1
Grand total—Groottaal	11 124,1	10 156,1	16 479,8	11 457,0

TABLE B: TOTALS IN MILLION RAND ACCORDING TO SECTIONS OF THE CCCN
TABEL B: TOTALE IN MILJOEN RAND VOLGENS AFDELINGS VAN DIE CCCN

Sections—Afdelings	Imports—Invoere		Exports—Uitvoere	
	1985	1984	1985	1984
I. Live animals; animal products Lewende diere; dierlike produkte	58,2	45,4	144,7	117,9
II. Vegetable products Plantaardige produkte	338,2	507,6	341,5	310,4

III. Animal and vegetable fats and oils and their cleavage products; prepared edible fats; animal and vegetable waxes Dierlike en plantaardige vette en olies en splitsprodukte daarvan; voorbereide spysvette; dierlike en plantaardige wasse	165,0	90,9	31,1	14,8
IV. Prepared foodstuffs; beverages, spirits and vinegar; tobacco Voorbereide voedsel; drank, spiritus en asyn; tabak	218,5	185,5	294,0	209,2
V. Mineral products Mineraalprodukte	230,4	159,0	2 366,0	1 298,8
VI. Products of the chemical and allied industries Produkte van die chemiese en verwante nywerhede	1 061,5	786,7	423,8	354,9
VII. Artificial resins and plastic materials, cellulose esters and ethers, and articles thereof; rubber, synthetic rubber, factice, and articles thereof Kunsharse en -plastiekstowwe, sellulose-esters en -eters, en artikels daarvan; rubber, sintetiese rubber, faktis, en artikels daarvan	378,7	365,5	62,5	46,7
VIII. Raw hides and skins, leather, furskins and articles thereof; saddlery and harness; travel goods, handbags and the like; articles of gut (other than silk-worm gut) Ongeloide huide en velle, leer, pelselle en artikels daarvan; saal- en tuiemakersware; reisartikels, handsakke en dergelyke houers; artikels van derm (uitgesonderd sywurmsnaar)	29,0	38,7	113,3	79,0
IX. Wood and articles of wood; wood charcoal; cork and articles of cork; manufactures of straw; of esparto and of other plaiting materials; basketware and wickerwork Hout en artikels van hout; houtskool; kurk en artikels van kurk; fabrikate van strooi, van esparto en van ander vlegwerkstowwe; mandjiewerk en vlegwerk	54,2	60,5	41,6	29,0
X. Paper-making material; paper and paperboard and articles thereof Stowwe vir die vervaardiging van papier; papier en papierbord en artikels daarvan	298,1	285,0	242,6	164,8
XI. Textiles and textile articles Tekstiele en tekstielartikels	432,7	494,2	465,3	349,5
XII. Footwear, headgear, umbrellas, sunshades, whips, riding-crops and parts thereof; prepared feathers and articles made therewith; artificial flowers; articles of human hair; fans Skoesel, hoofdeksels, sambrele, sonsambrele, swepe, ryswepe en onderdele daarvan; bereide vere en artikels daarvan gemaak; kunsblomme; artikels van mensehaar; waaiers	47,5	59,6	4,7	3,8
XIII. Articles of stone, of plaster, of cement, of asbestos, of mica and of similar materials; ceramic products; glass and glassware Artikels van klip, van gips, van cement, van asbes, van mika en van dergelyke stowwe; keramiese produkte; glas en glasware	111,0	127,6	32,5	19,3
XIV. Pearls, precious and semi-precious stones, precious metals, rolled precious metals, and articles thereof; imitation jewellery; coin Pérel, edel, en halfedelstene, edelmetale, gewalste edelmetale, en artikels daarvan; nagemaakte juweliersware, muntstukke	60,2	71,3	1 374,3	1 090,1
XV. Base metals and articles of base metal Onedelmetale en artikels daarvan	571,0	496,3	1 838,3	1 070,9
XVI. Machinery and mechanical appliances; electrical equipment; parts thereof Masjinerie en meganiese toestelle; elektriese toerusting; onderdele daarvan	3 168,9	2 960,6	224,9	121,0
XVII. Vehicles, aircraft, and parts thereof; vessels and certain associated transport equipment Voertuie, vliegtuie en onderdele daarvan; vaartuie en sekere verwante vervoer-toerusting	1 199,4	1 230,6	115,6	85,0
XVIII. Optical, photographic, cinematographic, measuring, checking, precision, medical and surgical instruments and apparatus; clocks and watches; musical instruments, television image and sound recorders and reproducers; parts thereof				

Optiese, fotografiese, kinematografiese, meet-, kontrole-, presisie-, mediese en chirurgiese instrumente en apparaat; uurwerke en horlosies; musiekinstrumente; televisiebeeld- en klankopnemers en -weergewers, magneties; onderdele daarvan	430,9	450,9	38,7	15,1
XX. Miscellaneous manufactured articles Diverse vervaardigde artikels	79,4	87,8	16,6	7,8
XXI. Works of art, collectors' pieces, and antiques Kunswerke, versamelaarsstukke en antieke	17,8	24,2	11,0	3,7
Other unclassified goods and balance of payments adjustments Ander ongeklassifiseerde goedere en betalingsbalansaansuiwerings	2 173,5	1 628,2	8 296,8	6 065,3
Grand total—Groottotaal	11 124,1	10 156,1	16 479,8	11 457,0

CSO: 3400/997

SOUTH AFRICA

RESERVE BANK STATISTICS GIVEN

Pretoria GOVERNMENT GAZETTE in English 16 Aug 85 p 42

[Text]

NOTICE 510 OF 1985

SOUTH AFRICAN RESERVE BANK

Statement of Assets and Liabilities on the 31st day of July 1985

Liabilities	R	Assets	R
Capital	2 000 000,00	Gold	3 780 514 295,10
Reserve Fund	42 424 241,17	Foreign:	—
Notes in circulation	3 603 370 589,00	Bills	84 677 634,41
Deposits:		Investments	543 360 512,58
Government	1 083 289 446,38	Other assets	—
Provincial administrations	58 246 700,02	Total gold and foreign assets	4 408 552 442,09
Bankers	1 008 032 391,84	Domestic:	
Other	1 080 188 800,95	Bills discounted	1 498 400 000,00
Other liabilities	3 582 653 382,19	Loans and Advances:	
	<hr/> <u>R10 460 205 551,55</u>	Government	—
		Other	1 028 504 693,33
		Securities:	
		Government	63 687 902,20
		Other	57 758 185,75
		Other assets	3 403 302 328,18
		<hr/> <u>R10 460 205 551,55</u>	

CSO: 3400/997

SOUTH AFRICA

MANUFACTURING OUTLOOK REPORT RELEASED

Johannesburg SA MANUFACTURING WORLD in English Jul 85 p 10

[Text]

The economic recovery suddenly seems within reach of many manufacturers. The recent drop in the prime rate and a perceptibly more positive attitude within the economy are the first rays of sunlight peeping over the economic horizon.

There are four thrusts that will encourage the next upswing in manufacturing production and sales — increases in exports, consumer spending and investment spending as well as obsolescent/replacement spending.

Manufacturing exports up 41%

The competitive advantage of a weak rand and last year's 9% growth in the volume of world trade have proved to be the stimulants in a leap in the value of manufacturing exports which have jumped 41% in the 12 months ending June 1985.

There were sizeable increases in exports of professional and scientific equipment which leapt up by 212%; machinery, mechanical appliances and electrical machinery up 103%; non-metallic mineral products and glass up 77%; chemical products up 55%; leather up 51%; paper up 42% and textiles up 30%.

All other manufacturing sectors' export performances fell below the 30% plus a drop in the effective exchange rate of the rand over the 12 months ending June 1985.

The prospects for improving both value and volume of manufacturing exports look promising. Safto are spearheading a determined export drive to the lucrative US markets. The government has its heart set on encouraging exports. It has allocated

R170 m to encourage exports this year. The recently announced Government White Paper on industrial development takes these export incentives even further.

The export led recovery will create a firm foundation for both the next economic upswing and an upswing in manufacturing production within those sectors involved in exports.

Consumer spending to increase by year-end

Consumer spending, hard hit by the August 1984 austerity measures, is still laying low. Durable sales have dropped 30%, semi-durables are down 6% and non-durables are 3% off their peak from the middle of last year.

Prospects for increases in consumer spending, especially the credit reliant durable market, are dependent on the magnitude and timing of the drop in interest rates, increases in employment and salary increases after tax and after inflation.

With consumer related interest rates expected to drop by up to 5% by the year end/early 1986 it appears that consumer spending on durables could rebound, in part, by the fourth quarter of this year. The improving economy will stop the rot on increasing unemployment and tangible increases in employment will be in evidence during the first half of 1986.

The prospect of salary increases after tax and after inflation are remote during 1985 and will only be in evidence from mid-1986.

The prospects for consumer orientated manufacturers appear to be encouraging to build up momentum from late 1985 to mid-1986.

Sector	July 1984 – June 1985 Output		1975 (Base Year)		June 1985	
	Rand	% of Total	Production (Index)	Production Price (Index)	Capacity Utilization	Employment
Food	3 600 000	17.62	142.9	353.8	87.6	169 500
Beverages	1 422 000	6.96	160.3	240.6	83.5	37 533
Tobacco Products	265 800	1.30	112.2	260.2	89.5	5 267
Textiles	811 000	3.97	105.2	247.6	87.5	106 900
Clothing	653 700	3.20	138.3	218.6	90.3	113 100
Footwear	233 700	1.14	123.6	320.9	91.4	25 667
Wood Products	384 600	1.88	112.9	301.0	88.8	51 900
Furniture	267 800	1.31	89.3	251.5	85.0	33 833
Paper Products	900 340	4.41	138.0	257.5	92.8	35 767
Printing/Publishing	633 100	3.10	135.8	—	89.6	47 767
Industrial Chemicals	1 429 800	7.00	139.1	283.9	85.2	98 733
Rubber Products	277 400	1.36	97.4	245.6	82.1	17 367
Plastic Products	386 300	1.89	134.2	—	85.3	24 700
Glass Products	152 700	0.75	124.9	—	92.2	—
Non-metallic Mineral Products	831 500	4.07	105.7	363.9	84.9	91 667
Iron & Steel	1 528 000	7.48	143.5	—	88.8	—
Non-Ferrous Metal Metal Products	762 000	3.73	178.6	314.7	89.0	—
Machinery	1 991 500	9.75	87.2	324.8	82.9	130 067
Electric Mach	1 350 800	6.61	119.5	288.6	80.2	67 733
Motor Vehicles	920 500	4.51	112.1	257.7	81.4	73 233
Transport Equipment	1 437 000	7.04	86.0	—	77.0	—
Total	20 426 140	100%	74.5	314.6	77.6	105 600
						1 236 334

(excluding Motor-
vehicles, Non-fer-
rous Metal, Iron &
Steel and Glass
Products)

SAMW has consolidated the statistics for the year July 1984 to June 1985 into the following informative table. Information for the quarter April – June were provisional computations which may be treated as accurate with very small possible changes.

SOUTH AFRICA

ECONOMIC RECOVERY CHANCES DIMINISHED

Johannesburg SUNDAY TIMES (Business) in English 18 Aug 85 p 4

[Article in "The Rex Column" by Cees Bruggeman]

[Text]

EVENTS of the past few weeks give the impression that the start of the next economic recovery will be long delayed. That may not be so.

The fundamentals determining the recovery continue to fall into place. Interest rates are likely to resume their interrupted decline for domestic reasons, and the balance of probability governing external reasons remains in our favour.

The domestic reasons for a sustained fall in rates have been clear since early this year, and remain unaffected by South Africa's recent troubles. If anything, events have reinforced the impression that interest rates can keep on sliding rapidly because any remaining fears of a premature consumer boom have been banished.

Slow growth

Demand for credit is growing slowly in nominal terms, and is falling at a high rate in real terms. This reflects primarily extremely poor demand in the private sector, consumptive as well as investment, on which the export and public sectors do not seem to have the slightest effect.

Indeed, one is tempted to toy with the hope of the Government's again being grossly irresponsible in a year in which it has promised (scout's honour) not to do so.

Deliberate overspending and overborrowing now would help to stabilise the recessionary conditions without necessarily giving rise to an early major resurgence in imports.

Externally, the position remains a good deal more complex, but not beyond hope. A business cycle always tends to end for us in domestic recession intended to correct the imbalances that have arisen on the current account of the balance of payments.

Mature phase

The surpluses so generated are then usually allocated to repaying foreign debt and building up foreign reserves, both activities providing the financial capacity for continued expansion in the mature phase of the subsequent business cycle.

Up to mid-year, this usual script was being followed to the letter. Although the foreign reserves were still being reduced in the first quarter and the Reserve Bank actually incurred another R850 million of short-term debt, all of it to accommodate private-sector outflows, the actual relativity of what was happening was not much different from the past.

After all, when one allows the foreign debt to run up to R40-billion, it must be appreciated that cyclical attempts to repay will grow accordingly, and likewise the size of accommodation required from foreign reserves and Reserve Bank borrowing.

Outflows

By the second quarter, though, the current account surplus (together with whatever borrowings were still being undertaken by the Reserve Bank) was comfortably exceeding net capital outflows, resulting in a sizeable building up of the foreign reserves.

Events of the past month threatened to wreck the process of financial restructuring.

To repay our remaining R35-billion of foreign debt with an annual cash flow currently approaching R8.5-billion may look feasible, but it is not. It would mean remaining at present recessionary levels for at least six years.

This would be untenable because we cannot sustain the current rate of corporate bankruptcies without ruining the economy. Only the export sectors would operate at high levels, the labour-intensive manufacturing and services sectors suffering terribly.

Manageable

Compared with some developing nations, South Africa continues to carry fairly low foreign debt. The authorities have always maintained that our foreign debt has remained manageable, but our present political and economic situation would seem to have put a cap on foreign borrowing for the time being.

However, that does not imply the permanent need for repaying up to R5-billion an-

nually. It does mean that future domestic indiscretions resulting in mini-booms and current-account deficits will be more difficult to accommodate through increased dollar borrowings, which we should not necessarily see as a negative development.

Perceptions will take a good deal of time to adjust to the discontinuity that has occurred. Data from the authorities, ahead of normal publishing schedules, would therefore be more than welcome in replacing rumour with fact.

Liquidity

More pertinently, the political and economic scene will continue to evolve, and with it our theoretical foreign borrowing capacity.

The tremendous restructuring evident on the current account has not so far made much of an impact on domestic liquidity. Its effect on interest rates has nevertheless been substantial through expectations.

It may be assumed that South Africa will enter a situation where the current-account surplus will start adding decisively to domestic liquidity.

Even though money-market conditions will presumably remain managed, the eventual impact of this growing net foreign cash flow on domestic interest rates should be significant in completing the interest-rate restructuring that began so full of hope earlier this year. Its conclusion remains a matter of time and perceptions.

As to the specific components of national spending, it cannot be said that things are getting worse at a rate much different from what was expected.

Companies continue to disinvest, running down stock as well as plant, and they have every incentive to continue

doing so. The positive side of that behaviour is that it can only add to the potential of the next recovery because overshooting on stocks and plant is usually corrected in the subsequent cycle.

Pressure

The consumer remains under pressure on pay, fringe benefits, tax and debt considerations. Nothing new there either, except to say that substantial potential for replacement demand is also being accumulated.

To expect, therefore, a replay of 1978-1979 is not to be overoptimistic. Natural correctives, such as the turning of the stock cycle, when linked to the limited stimulus emanating from exports and the public sector, should lead to a turning of the cycle.

That the subsequent 12 to 18 months will yield only a sub-par economic recovery on historic comparisons should not be surprising, given the extent of our present turmoil.

Emigrants

But we tend to overdo things. In 1977-1978, SA suffered a net loss of immigrants and a virtual collapse of many private balance sheets as people sought to escape impending doom. A correction is again in train, but not anywhere near on a similar scale.

Our domestic powers of recuperation remain less impaired than in the earlier period when they required a windfall to be fully restored.

The combination of some encouraging political developments, lower interest rates, and tax cuts in the March Budget could reinforce more strongly than is perhaps now expected the cyclical correctives already in place.

SOUTH AFRICA

PALABORA OPERATING COSTS DOUBLE, PROFITS INCREASE

Johannesburg THE STAR in English 22 Aug 85 p 22

[Text]

Despite a lower milling rate, after-tax profit of Palabora Mining Company increased by 11 percent to R34.8 million in the six months ended June, compared with the corresponding period last year.

Although turnover rose by 37 percent to R241.6 million (R177 million), the improvement in net profit was restricted by higher operating costs and higher taxation.

Operating costs were almost double at R108 million (R60.5 million), while tax and lease consideration took R61 million (R29 million).

The continuing decline in the rand's value was the major factor responsible for the increases in turnover and operating costs.

Earnings a share edged up from 111c to 123c and the first interim dividend increased from 15c to 20c. The company has now declared a second interim of 25c (20c).

Copper production declined from 61 946 tons to 58 973 tons and sales from 66 468 tons to 63 422 tons.

The interim report says the decrease in milling rate was directly attributable to the shutdown of the autogenous mills for repairs at the end of the first quarter.

It was originally thought that the shutdown would last 60 days but in the event it lasted 90 days.

However, since then the mills have been working at full capacity and it is expected that this will be maintained until the arrival of replacement mill shells of an improved design.

Sales tonnages of magnetite, sulphuric acid, vermiculite and zirconia products increased 16 percent, seven percent, nine percent and 39 percent respectively compared with the first half of 1984. There were no sales of uranium.

CSO: 3400/996

SOUTH AFRICA

MANUFACTURERS' EXPORT PRODUCTION OPTIONS EXPLORED

Johannesburg BUSINESS DAY in English 20 Aug 85 p 5

[Article by Alan Ruddock]

[Text]

OVERSEAS opposition to South African goods could encourage local manufacturers to consider assembling their products in neighbouring states, say business analysts.

Trade agreements between Botswana, Swaziland, Lesotho and the European Economic Community allow for manufactured goods with local added value to be exported duty-free to EEC countries.

Under the provisions of the Lome Convention, some African, Pacific and Caribbean countries also enjoy preferential tariffs with the EEC.

Other major export markets, like the US, Australia and Japan, have a prefer-

ence system for developing countries.

SA Foreign Trade Organisation (Safto) GM Ann Moore says SA companies can legitimately finish products in one of the neighbouring states and then export them without "made in SA" labels.

But she adds a note of warning: "Customs officials at the point of entry are not stupid and it is very easy to get confirmation of genuine added value. The percentage of added value varies, but for EEC countries it is usually 20%-25% and for the USA 30%-35%."

Despite the adverse media coverage SA has been receiving this year, exporters have fared well. However high-profile goods, such as fruit and wine, have come under pressure, while importers of SA goods in Australia are reportedly nervous of a possible consumer reaction.

A spokesman for the Department of Trade and Industry says the Swazi option is one of many possibilities for potential exporters, but says that companies do not approach his department when considering such moves.

"Certainly we at the department would never stand in the way of anyone who wants to operate this way".

Observers say SA companies must go international if they are to survive. "We must internationalise our products by assembling abroad and by licensing overseas companies to manufacture our products. In this way we reduce the SA profile and increase the inflow of foreign exchange," says one export adviser.

Sources say a number of SA companies are already circumventing any possible reaction by assembling in neighbouring states, but the presentation of export statistics makes it difficult to gauge the extent of the practice.

SOUTH AFRICA

GROWTH OF ELECTRONICS INDUSTRY FORECAST

Johannesburg BUSINESS DAY in English 20 Aug 85 p 3

[Article by Matthew White]

[Text]

THE South African electronics market, with an annual turnover of about R3bn, is expected to grow at about 15% a year to 1990.

This is the finding of a market survey undertaken on behalf of seven major electronics groups and the Standing Committee for Electronics (SEC).

The survey, which cost R250 000, was undertaken by a Pretoria company, Business and Marketing Intelligence. The report will remain confidential until it has been considered by its sponsors — Altech, Siemens, Reunert, Federale Volksbeleggings, Grinaker, TMSA, Plessey, Philips and the SEC.

SEC chairman Carel van der Merwe gave some details of the survey to a Press conference at the Industrial Development Corporation's Sandown headquarters yesterday.

The state is the electronics sector's biggest customer with about 40% of the total market, or 50% if consumer goods are excluded.

Telecommunications accounts for about 26% of the market, consumer goods and data processing account for about 22% each, and military equipment about 10%.

Export sales of electronics totalled R32,793m in 1984.

The SEC was set up last year on the instruction of the Cabinet with its main aim to help government agencies to use the buying power of the state to encourage development of the local electronics industry. It consists entirely of public sector officials.

A key factor in encouraging develop-

ment is price preference of up to 35% given for local design and content. A sliding scale of preferences applies, with companies being awarded 25% preference for 100% local content and 10% for 100% local design.

By co-ordinating public sector buying, the SEC believes it will be able to stimulate local production at an acceptable premium. An example of how this will work is in the local production of data terminals.

The SEC published a specification, on which nine suppliers tendered. These were narrowed down to five — Andromeda, Comtec, Datakor, Siemens and Technetics — which have been asked to submit production models for evaluation by December. Two or three "preferred suppliers" will then be selected.

To prevent the creation of monopolies and the public sector's being locked into obsolescent products, specifications will be amended and new bids invited about every three years. Existing Post Office contracts will be allowed to run to term, however.

Another development strategy being followed by the IDC is to make finance available for small local companies. Its first successful project resulted from the investment of R2m in venture capital in a Cape-based manufacturer of fire-detection systems, Fire Fight, to enable it to set up an overseas sales organisation.

CSO: 3400/996

SOUTH AFRICA

TEXTILE, CLOTHING INDUSTRY THREATENED

Johannesburg BUSINESS DAY in English 22 Aug 85 p 4

[Text]

A SUDDEN upswing in business after political unrest, could lead to mass unemployment in the textile and clothing industry.

Ernest Wilson, chairman of the Textile and Clothing Advisory Council (TCAC), said yesterday a sudden upswing would bring in a rush of imports.

Primary and secondary industries by that time would be so weakened by contraction and mass lay-offs of skilled labour that they would be unable to respond to stronger demand for at least six months.

"In the process, the clothing and textile industries will become sitting ducks for an import bonanza which could deal a mortal blow and

lose 100 000 or more jobs in the process," Wilson predicted.

He said there was need for an accelerated reform programme to get the growing number of jobless back to work.

He added that the unrest was at least as much from economic as political causes.

□ Synthetic Fibres forecast a steady decline in domestic demand. Exports, however, should provide reasonable area for marginal contribution.

□ Cotton is still freely available across an acceptable range of qualities and prices.

□ Wool prices will be determined by the state of the rand.

□ In the weaving sector, cotton has been on a par with 1984, which was down on 1983 sales.

□ Worsteds have been badly hit by consumer rejection of high wool prices, with 25% of the workforce being laid off.

□ In the knitting industry, lower imports have not prevented 800 being laid off.

□ In the retail sector, chain stores are between 15% to 20% down in unit sales.

Edgars' CE Vic Hammond said yesterday he did not see an upswing in demand bringing down destructive imports because the rand was too weak.

CSO: 3400/996

SOUTH AFRICA

RECESSION CLOUDS TEXTILE INDUSTRY FUTURE

Johannesburg BUSINESS DAY in English 19 Aug 85 p 6

[Article by Cherilyn Ireton]

[Text]

TEXTILE manufacturers, saddled with a fall-off in demand for fabrics, are struggling to survive.

Textile Federation head Stanley Shlagman says the situation has led to retrenchments, shorter working days and a sharp decline in profit. Though there have been no casualties yet, companies are "just hanging on", he adds.

Prospects for the three manufacturing sectors under the federation's control look bleak. The wool and worsted fibre sector has no forward orders beyond October and the future for the cotton and synthetic fibre, and knitted fabric sectors is just as dismal.

Industry figures show knitted fabric imports plummeted by 70% in the first half of 1985, as compared with the same period the year before. Woven fabrics dropped by almost 50%.

Order intake for the knitted fabric sector is down 20% and working hours have been cut 25%.

In the wool and worsted fabric sector, deliveries up to October are likely to be only 60% of those during the same period in 1984.

"Normal orders beyond October are non-existent," said Shlagman. Already 750 workers, representing 20% of the sector's workforce, had been made redundant.

He said there was a feeling of uncertainty in the entire industry, moreso because there was no indication of an upturn.

"Companies have not disappeared because the industry consists of only a small number of manufacturers. But they are being forced to run a tighter ship and at this stage are concerned with survival rather than profit," he said.

Competition has remained fierce and prices are low. Smaller inventories are causing quicker stock turnaround.

"The retail distribution sector is tending toward shorter delivery periods — which is putting pressure on the clothing industry," said Shlagman. "What has compounded the problems for textile suppliers is that for the first time costs escalated at a rate higher than the consumer price index."

He said under normal conditions the industry would consider the slump to be cyclical.

"Our per capita consumption of textiles is low by international standards and we have not shown much growth in consumption. If we could reach half the per capita levels of other developing countries, long-term prospects for the industry would be good."

CSO: 3400/996

SOUTH AFRICA

MOTOR INDUSTRY LAYOFFS REPORTED

Johannesburg BUSINESS DAY in English 19 Aug 85 p 1

[Article by Alan Ruddock]

[Text]

MORE than 35 000 motor industry workers have been laid off this year because of a drop in production. Jobs in the sector are now down 22% from the 1982 peak.

Lay-offs have increased as all sectors of the industry struggle to regain even a 50% production capacity. Even market leader Toyota is at 50%, according to chairman Colin Adcock.

Job losses in the motor components, retail and vehicle bodybuilding industries total more than 30 000, while the assembly lines have been shedding an average of 500 workers a month this year, say industry analysts.

Figures released by the National Association of Automobile Manufacturers of SA (Naamsa) show that employment in the assembly industry peaked at 50 000 in 1982 and has fallen since then to fewer than 39 000.

Motor Industries Federation (MIF) director Jannie van Huysteen estimates that the retail side of the industry has shed about 15% of its workforce this year.

Estimates for the motor components industry put job losses at 10 000 for the first seven months of the year.

Manufacturers stress that the prevalence of short-time can be even more disastrous than the actual lay-offs.

"In the components industry, production is running at about 40% of a two-shift capacity," says John Small, chairman of the National Association of Automotive Components and Allied Manufacturers (Naacam).

Naacam director Bill Hayward puts employment in the components industry at about 70 000. This is 10 000 down on 1984.

Hayward is pessimistic about any improvement before mid-1986 and fears that further price increases by motor manufacturers could hinder a sales recovery.

Imported parts account for an average of 45% of the industries' costs and the rand's depreciation and high inflation have further exacerbated manufacturers' losses. Analysts say that no manufacturer is operating at a profit.

The industry's unions say job losses among artisans have been less severe but add that the amount of short-time is "very worrying."

CSO: 3400/996

SOUTH AFRICA

CO-OP GIANT, VETSAK, REGISTERS LOSSES

Johannesburg SUNDAY TIMES (Business) in English 18 Aug 85 p 1

[Article by Ciaran Ryan and Zleda Zaayman]

[Text] **VETSAK**, the giant agricultural co-operative supplier, denies an anonymous report that it is in trouble — in spite of mounting losses.

According to the report sent to farmers and co-operatives, Vetsak needs an immediate cash injection of R60-million to cover operating costs.

The report says that after properties were revalued by R28-million, the company's net asset value is R3.3-million.

Solvent

Management insists that even if the property revaluations are ignored, the group is still solvent.

A spokesman says: "We don't deny that we have been in some trouble and we are still incurring losses. But we are sorting matters out and have restructured management."

In a style reminiscent of the "Unholy Egoli" saga, the anonymous report is scathing about Vetsak management.

The group incurred a loss of R6.7-million in the first quarter of 1985. Management's projected loss for the second quarter is about the same amount.

The group lost R24.7-million in 1984 and R7.1-million in 1983.

The question is whether Vetsak can continue to run up these losses.

A spokesman for the co-operative says it expects a

turnaround in 1986.

The extent of the recession in the agricultural sector is shown tractor sales which are down to 7 000 a year from a high of 25 000 in 1981.

The report says the group's stock management is out of control. One agricultural consultant values Vetsak's unsold stock at R180-million although a spokesman for the group says stock is valued at only R100-million.

Vetsak's fortunes reflect the entire agricultural sector. Every co-operative buys from Vetsak as it is the sole distributor for a wide variety of agricultural implements. Vetsak is also sole distributor for Claas farm machinery, Fiat tractors and Belmont machinery.

Debtors

The group is owned by about 60 co-operatives. It is funded by members' contributions, accounting for 2.7%, reserve funds 2.2% and external sources 95.1% if property revaluations are ignored.

Vetsak insists that it does not have liquidity problems. Debtors increased by 75% to R44.57-million in 1984 and creditors increased by only 15.5% to R36.99-million. This resulted in a current ratio of 0.87 in 1984 (1.08).

Vetsak was established in the 1950s to make bulk purchases on behalf of farmers. It comprises five divisions: mechanisation, chemicals, general merchandising, irrigation and trucks.

Credit

A Vetsak spokesman says cash credit facilities of R120-million are available from the Land Bank at an interest rate of 21%, and about R90-million of this has been used. The cost of servicing this debt is almost R19-million a year.

Foreign debt amounts to R40-million. Vetsak was forced to make provision of about R11-million for possible forex losses at an exchange rate of 50 SA cents to the dollar in 1984.

SOUTH AFRICA

POOR RAINS, SALE, COSTS THREAT TO FERTILIZER FIRMS

Johannesburg BUSINESS DAY in English 21 Aug 85 p 3

[Article by Alan Ruddock]

[Text]

FERTILISER manufacturers are in for a torrid time if summer rains are below normal, say industry observers.

Manufacturers' problems have been exacerbated by a fall in sales and the rising cost of imported raw materials which could force them to increase prices.

A damaging price war at the beginning of the year saw many farmers buy early and take advantage of low prices and this has contributed to the sales slump. Sales in January and February were over 30% up on the same months last year. Manufacturers say farmers are also being hit by credit problems and are delaying buying for as long as possible.

They are unwilling to predict what will happen in the next few months because there are too many "unquantifiable uncertainties".

"The fertiliser industry is totally seasonal — there are so many factors involved. Only time will tell" says Triomf spokesman Wolle Wolmarans.

Farmers could cut back on fertiliser this year, according to the SA Agricultural Union.

"The biggest problem for farmers is input costs," says spokesman Gerrie Smit. "It won't be a normal year. Farmers are saving where they can. Reducing input costs is important — farmers are

concerned less with how much they reap and more with how much they put in."

Fedmis MD Andre Terre Blanche is looking for a 10% growth in sales over last year — "given normal climatic conditions".

He says that there is very little movement in the market at the moment and that if there is further drought it will be disastrous for the industry.

"We are still going to see competitive pricing because the same basic reasons exist — too much capacity and oversupply."

Smit says farmers are sceptical of price increases justified on the grounds of rising import costs.

CSO: 3400/996

SOUTH AFRICA

NEW SAFMARINE HEAD PROFILED

Johannesburg BUSINESS DAY in English 20 Aug 85 p 8

[Article by Chris Cairncross]

[Text]

GREATER diversification and a more intensive foray into foreign waters is what lies in store for SA's flagship shipping line, Safmarine, under its new master Mike Finlay.

Appointed MD last month following the death of executive chairman Marmion Marsh, Finlay reckons that Safmarine has tremendous potential for growth and for broadening its earnings base. And, he maintains, the group is well-placed financially and structurally to take on any opportunities that emerge in industries which are synergistic to its existing operations.

Attempts to chart Safmarine's future development path must, however, be done from the perspective of recognising that, as an integral part of Safren, the company is already married to operations which would have been naturals for its further diversification — if it were still out on its own.

Primed

Nevertheless, there are a number of other avenues Safmarine is already exploring, and which Finlay expects will contribute increasingly to the group's earnings. Container leasing is one.

The company has also become primed to move swiftly into the sophisticated information technology industry. Through a subsidiary company, Safmarine

Computer Services, it has established a bureau-type operation.

This currently provides a back-up service to companies that have either run out of capacity on their own equipment or have had a breakdown. "It was a good way of using up the spare capacity on our big mainframe," said Finlay, indicating that from these relatively small beginnings into information processing big things are expected to occur.

Safmarine's other major area of diversification is its involvement in the airline business. The company has substantial holdings in Air Cape, Namib Air and Luxavia. Finlay indicated that there is potential to substantially upgrade these operations, but only if the airline industry in SA becomes deregulated.

"There is a place for a second airline operator in this country. There does appear to be a strong possibility now that an official decision on this will be forthcoming in the next 12 months," Finlay hoped. If not, Safmarine will be reassessing its involvement and investments in this area.

Safmarine's principal activity is, of course, shipping and it is apparent that Finlay will be devoting most of his energies as chief executive to exploring further opportunities for expanding the line's already substantial trading activities internationally.

Container trade will continue to be the backbone of Safmarine's business, though growth pros-

pects now are considered to be meagre. Finlay said he is relying on Safmarine to generate most growth in the bulk trades. "This is where the potential is. But we must be wary of not going in too fast. Timing is critical."

Finlay has all the experience needed to take over control of Safmarine. The shipping industry has been a consuming passion of his throughout his professional life. And he has spent time with every facet of the business.

"I was bitten by the bug in 1952 when I signed on with Safmarine as a cadet after finishing a B.Com at UCT." From there on he moved extensively round the shipping world. Finlay worked briefly for a shipping agency in Cape Town, spent almost two years with a Welsh shipbroker in Cardiff, before making Safmarine his home port.

He joined the line when its fleet numbered only three vessels. Today it owns 30 ships, with a replacement value of about R600m, and has on charter some 20 to 30 more.

Relaxed

Finlay's transition into the top slot at Safmarine was always on the cards. Ever since the creation of Safran last year, Marmion Marsh had been devoting less of his time to Safmarine. Finlay has been de facto chief operating officer for at least six months.

Finlay confesses to being completely at ease now that he is officially solely in charge of Safmarine's bridge. "I worked closely with Marsh for 25 years, so I am fully aware of what is involved. But I am no Marsh clone," Finlay quickly states.

Marsh had a reputation of being reluctant to delegate responsibility. It will be a somewhat different management style under Finlay. "I am more relaxed than Marsh was. I will probably talk more with my managers," he says. "On the other hand, I am fully aware of the dangers of management by committee," Finlay concludes.

CSO: 3400/996

SOUTH AFRICA

CONSTRUCTION INDUSTRY PROBLEMS GROW

Johannesburg THE CITIZEN in English 31 Aug 85 p 19

[Article by Madden Cole]

[Text]

MORE than R3 000-million worth of work may be lost by South Africa's construction and civil engineering contracting industry as a result of anti-inflationary cutbacks and postponements in Government spending on infrastructure and development projects.

This is suggested by the preliminary findings of a study in preparation for a new publication officially launched last week which will cater for the fixed capital investment sector of South Africa's gross national product.

The publication, "The

Capital Projects Bulletin", co-ordinated and distributed by the Titaco Consolidated Investment Group, will make information and assessments available to the industry.

The first Bulletin covers the period 1985 to 1990 and airs a number of topical key issues. It emphasises that State expenditure should not be confused with State fixed capital expenditure.

The latter relates to infrastructural development which must go on. Present cutbacks such as roads, deferment of Eskom and the like are short-sighted in view of their long-term effects,

the Bulletin says.

Total fixed investment spending amounts to less than 25 percent of the GNP and alongside other spending has a much smaller effect on curbing inflation. It is the latter spending that the State must address.

Referring to Pretoria's pledge to shift the centre of gravity in contribution to gross national product in favour of the private sector, the Bulletin points out that after the cyclical downswing and subsequent recession there is a fatter public sector.

This comes about as a result of a flow of private sector contractor em-

ployees into civil service jobs as the public service reserves work for itself in the belief that it saves costs and the security of State sector jobs.

In practice real costs rise when allowance is made for the greater proportion of hidden costs in contracts handled by the public sector teams, swollen by the uptake of skills drift from the private sector.

And those who shifted to the civil service get artificially high remuneration packages when private sector contractors are obliged to woo them back as work available mushrooms near the top of the next business upswing.

Giants in contracting in the private sector tend to grow like the public sector at the expense of the smaller participants, even when these are more cost-effective, the Bulletin says.

It is thus in the national interest that the new Minister of Finance and his Cabinet colleagues confirm their commitment to affirmative action in favour of the private sector, and specifically of a larger role for independent, medium-size and smaller private sector businesses.

SOUTH AFRICA

MOTOR INDUSTRY TROUBLES NOTED

Johannesburg THE CITIZEN in English 26 Aug 85 p 25

[Text]

AS a result of the marked drop in the value of the rand, many of the smaller motor vehicle manufacturers in South Africa were coming under severe pressure which could force them to withdraw from the country, says Mr Peter Whitfield, chairman of Nissan SA.

Speaking at the launch of Nissan's new Skyline SGLi and GTXi models at Mmabatho Sun, Mr Whitfield said that the costs of tooling up for a new model had risen to about R50-million.

"To have to spend such a sum of money on a model which might not sell well is too much of a risk and so not an economic proposition."

The devaluation of the rand too had increased the losses already incurred by the motor industry which now had to pay an additional 25-30 percent for imported components.

"We can expect losses to rise to between R500 000 and R1-million as the industry will not be able to pass on these increased costs immediately. With the present value of the rand, retail prices of vehicles could

thus increase by 10 percent."

He said that although it was difficult to predict the future of the motor industry, a programme of general rationalisation was inevitable and that the number of models would be reduced.

Nissan however was determined to remain competitive in the present difficult circumstances and had launched an aggressive marketing strategy.

"Instead of introducing a policy of discounting our vehicles, which would destroy resale values, we prefer to provide better service for our customers."

In the coming months Nissan planned to employ 100 additional highly trained salesmen at the dealer outlets where special customer care programmes would be available.

"In short, we intend doing what we can to see the company through the present difficult times. Nissan after all is a wholly South African owned company and its fortunes are closely linked with the country's economic future. We have nowhere else to go." — MC

CSO: 3400/1030

SOUTH AFRICA

PLANNING FOR ALTERNATIVE ENERGY SOURCES URGED

Johannesburg THE CITIZEN in English 26 Aug 85 p 25

[Article by Madden Cole]

[Text]

THE days of coal were limited and if South Africa was to avoid an energy crisis early next century it must plan for alternative energy sources to be available in 25 years time, Professor RK Dutkiewicz said at the University of the Witwatersrand Senate Special Lectures.

"In terms of our present estimates of coal reserves of 58 000 M tons, economically recoverable, coal supply will no longer satisfy coal demand from around the year 2010.

"We have breathing space but we must use it wisely. All possible methods of using coal more wisely must be explored."

Prof Dutkiewicz said that the country's self-satisfaction with its abundance and cheapness of

coal was a cause for alarm.

"For such a versatile commodity we know very little about it. Research on coal in South Africa is almost non-existent. In terms of funding and in comparison with 14 countries of the OECD, South African research expenditure per ton of coal used is second last, with only Italy spending less."

Referring to exports, Prof Dutkiewicz said that the international market was not unlimited and was shrinking because of the present low price of oil.

"A simple calculation will show that coal exports of some 120 M tons a year are perfectly feasible without serious repercussions to our national reserves.

"But some time in the future coal exports will have to start declining and eventually disappear, but that point is somewhere about the year 2010."

Pointing out that in economic terms South Africa entered the nuclear age too early, Prof Dutkiewicz said that the cost of electricity from Koeberg was higher than

that from a coal-fired power station in the Transvaal.

"The decision to go ahead with nuclear power was taken on the basis of break-even economics. A change in such high level technology should never have been embarked on unless the economics were overwhelmingly favourable."

Nuclear power would play an increasingly important role in South Africa in the future, but the decision on the next nuclear power station should be based on sound economic ground alone, he said.

CSO: 3400/1030

SOUTH AFRICA

SENTRACHEM HAS TROUBLES WITH AFRPENE PROJECT

Johannesburg THE CITIZEN in English 29 Aug 85 p 21

[Article by Daan de Kock]

[Text]

THE problems Sentrachem has with its Afrpene project in Newcastle in Natal — a strategic plant that manufacturers synthetic rubber clearly showed up in its results for the year ended June.

The slump in the fertilizer market and severe competition further aggravated the situation, with the result that the company ended up with a loss of 27,3c a share against a profit of 21,4c a share.

As forecast no dividend was paid for the past year (18c).

Dave Marlow, managing director of Sentrachem, told journalists at a very frank Press conference yesterday that the loss of the Afrpene project amounted to about R50-million for the year.

On top of this, Fedmis, the fertilizer producer, also posted a loss in the

last six months of the year, but for obvious reasons he did not want to disclose it.

Mr Marlow said various factors contributed to the Afrpene loss, the most important of which were:

- Overall demand for rubber was less than expected.
- A swing to a new type of motor car tyre using less rubber.
- High interest charges.
- Drop in the world price of rubber.

As in the past, there was again a heated debate on whether Sentrachem should not cut its losses and close the plant down, which cost more than R400-million to build.

Mr Marlow and his team again pointed out that this was not a decision to be taken overnight, even if the chances were small that the plant would show a profit over the next five years.

Putting the strategic value of the plant aside — shareholders after all want to maximise their earnings — there are various other factors such as the interest burden, cash flows, tax allowances, etc that should be taken into account.

To close the plant in the future if all variables move against its existence must be an option, but since it is doing quite well on the export market at the moment, I agree with Sentrachem that it is worthwhile to give it a chance.

Looking at the future, Mr Marlow said that taking into account the present uncertainties, it would serve no purpose to quote any figures. He hoped however that the results would be better.

Group turnover for the year amounted to R930,6-million — an improvement of 10 percent on the previous year's R842,4-

million. Included in this figure is the share of associates that amounted to R119,1-million (R118,9-million).

Operating income, mainly because of the Afrpene and Fedmis losses, dropped by as much as 45 percent from R75,2-million to R41,6-million.

Net financing costs were 42 percent up at R81,4-million (R57,5-million), the big culprits here being interest charges — R78,3-million (R51-million), and financial lease charges of R26-million (R7,3-million).

These were to a certain extent counterbalanced by interest received on deposits, which rose from R22,7-million to R34,9-million.

Pre-tax income showed a turnaround of R58,6-million from a profit of R22-million in 1984 to a loss of R36,6-million in 1985.

Mr Marlow said the total effect of foreign exchange losses for the year amounted to R36-million — slightly down on the forecast figure of R40-million.

The net loss attributable to ordinary shareholders amounted to R24,4-million against a net profit of R19,1-million.

SOUTH AFRICA

BRIEFS

NUCLEAR EXPERTS DENIED BELGIUM VISAS--Brussels, 21 Aug (AFP)--Belgium has refused visas to 12 South African experts planning to attend an international conference here on civilian uses of nuclear technology, the Belgian Foreign Ministry said today. No reasons were given for the decision. Nuclear cooperation is one of the fields in which the 10 countries of the European Economic Community (EEC) may impose sanctions against South Africa if it does not take steps to abolish apartheid. The EEC plans to send a ministerial delegation to South Africa during the next few weeks. [Text] [Paris AFP in English 0941 GMT 21 Aug 85 AU]

SWEDISH BAN ON IMPORTS--Sweden is to stop importing South African food products and Krugerrands. According to a spokesman for the Swedish Government, this step was decided on in response to the United Nations' call for sanctions against South Africa. The spokesman said his government hoped that other countries would follow the example of Sweden. He pointed out, however, that the proposed ban on the importation of food products would first have to be approved by parliament under the national food policy before it became effective. [Text] [Johannesburg Domestic Service in Afrikaans 0830 GMT 3 Sep 85 MB]

POLICE PROBE GENCOR--Johannesburg.—Commercial Branch detectives are investigating alleged corruption in the mining division of Gencor which may run into millions of rand involving senior staff members and outside companies. Police confirmed that a major investigation started about three weeks ago. Two senior staff members in the division have resigned their posts this week, Gencor disclosed in a statement to the Press on Wednesday. It was confirmed yesterday that external auditors are now busy doing a complete audit of the records involved. In the statement the company said that irregularities involved the awarding of contracts for capital projects in it's mining division. Gencor stated that the investigation could take some considerable time because of its complexity. Some employers said the situation at the mining division offices was nearly unbearable because everyone is suspecting everyone else. "It's more or less the same kind of investigation as is happening at the SABC," a staff member said. The names of the two persons who resigned cannot be disclosed because of the police investigations. [Text] [By Rika van Graan] [Johannesburg THE CITIZEN in English 30 Aug 85 p 2]

TANZANIA

BRIEFS

TRANSPORTATION TALKS WITH RWANDA--Dar es Salaam, 23 Aug (SHIHATA/PANA): Tanzania and Rwanda started talks in the Tanzanian capital to review bilateral matters on transport between the two countries. According to the Tanzanian principal secretary in the Ministry of Communication and Works, Odira Ongara, the one day talks will review the transportation of Rwandese goods from Dar es Salaam to Kigali and the construction of a road to link the two countries. A five-man Rwandese delegation to the talks is led by the principal secretary general in the Ministry of Public Works and Energy, Emmanuel Gapyisi while the Tanzanian nine-man delegation is led by Ongara. Tanzania and Rwanda cooperate in transport communication, education, agriculture and livestock, trade and industries and immigration. [Text] [Dakar PANA in English 1440 GMT 28 Aug 85 EA]

PARTY OFFICIALS DISMISSED--The National Executive Committee of the Chama Cha Mapinduzi [CCM] has dismissed two CCM leaders from leadership of the party. A statement released by the party headquarters in Dar es Salaam, said those dismissed are the chairman of the (Msaranga) party branch in Moshi urban district, NDUGU (Panion Macha), and the chairman of the Kikondo party branch, in Tabora rural district, Ndugu (Erasto Kaungwe). Ndugu (Macha) was dismissed for misusing his authority with the intention of causing confusion, and failing to protect and adhere to government directives by extending the boundary of Moshi town. Ndugu (Erasto Kaungwe) was dismissed for being dishonest and converting village property for his own use. The decision was made by the CCM Central Committee. [Text] [Dar es Salaam Domestic Service in Swahili 1700 GMT 23 Aug 85 EA]

NEW NEWS AGENCY POLICIES--Dar es Salaam--The board of directors of the TANZANIA NEWS AGENCY, SHIHATA, has approved several proposals aimed at increasing the agency's income and production at its meeting [words indistinct]. According to information released by the agency, the proposals include increased prices for current SHIHATA subscribers and the introduction of accreditation tax payable by individuals and the various agencies using press accreditation cards. At the same meeting, the SHIHATA board of directors also discussed the proposed new agency structure aimed at increasing efficiency in production and services. [Text] [Dar es Salaam Domestic Service in Swahili 1700 GMT 2 Sep 85 LD]

LEGAL COOPERATION WITH BULGARIA--Dar es Salaam--Tanzania and Bulgaria have agreed to strengthen relations and cooperation in legal matters. An agreement on this was signed in Dar es Salaam today between the Bulgarian ambassador to Tanzania, Mr Serafimov, and the acting attorney-general, who is also the principal secretary in the Tanzanian Ministry of Justice, Ndugu Daniel Meela. [Excerpt] [Dar es Salaam Domestic Service in Swahili 1700 GMT 2 Sep 85 LD]

TOGO

DELEGATION PARTICIPATES IN MOSCOW YOUTH FESTIVAL

Lome LA NOUVELLE MARCHE in French 7 Aug 85 p 5

[Article by special correspondent Seyena Biava Seshie (Togo Press Agency):
"12th Moscow Youth Festival: Togo Had One of the Four Best Cultural Groups"]

[Text] Was it really necessary to tell the 100,000 or so spectators gathered at the Lenin Central Stadium in Moscow that the festival was over and they would have to part? When the actors on the lawn, in a flight of colors, lights and decibels, were marking with their last act the end of the closing ceremony of the 12th Youth and Students Festival, and when the Philharmonic Orchestra returned to the dressing rooms, leaving loudspeakers behind to broadcast the voice of a melancholic solo singer, the audience froze. The show was over for good on that evening of 3 August 1985, and with it so was the festival. People in the tribunes were reluctant to go down, to realize that it was over, as the Soviets had neglected no detail to give to this ceremony enough feeling to put the young festival guests delegated by 3,000 organizations in a state of nostalgia dominated by fascination and suspense. For this, the Soviet youth made an amazing contribution: trapeze artists, majorettes, dancers, gymnastic artists, and of course these 8,000 young people facing the official tribunes who, in an extraordinary blending of colors, were translating into images the pathetic moments of the show. But since a dream is always interrupted by a different reality, the audience that night was left unsatisfied. I can still see the anguished face of this young Salvadoran leader, standing among his group, still holding the megaphone that he had been using a few hours before to incite his comrades to "revolucion or la muerte" (revolution or death). Or again this half dozen of Lebanese flags, that could be recognized from far away by their symbolic cedar, vigorously brandished as a sign of farewell as the audience was deserting the tribunes and while the last exhalations of the friendship ("drujba," as they call it over there, in Lenin's country) established between the youth of all five continents were rising from the crater of the sturdy Moscow stadium. Still, the stadium emptied itself of the festival participants who filled the surrounding avenues with a long march punctuated with songs, slogans and folksongs that vanished into the cool summer night.

Thus, the Moscow Festival, the 12th in post-World-War-II history, came to a close. But during its eight days (from 27 July to 3 August), this world festival assumed a dimension commensurate with the size and infrastructures of this huge city. Imagine "Woodstock" or "Soul to Soul" in a multitude of

parks, gardens or showplaces, in a capital with a diameter of over 100 km. Add to this 15 or so conference centers, with conferences on themes ranging from nature protection to non-alignment, and including youth and sports; plus an overabundance of anti-imperialistic and anti-nuclear demonstrations where political problems that have become headaches at international conferences unexpectedly resurfaced. Culture was not to be outdone in this forum where artists from many horizons were translating through dance or pottery the cultural language of their respective nations. For indeed, if there is one means of bringing together all the nations of the world, without any consideration of politics or ideology, it is in a dialogue of cultures that it might be found, like a flower sticking out of a gun. It is therefore in that climate of "no war but peace" that the Togolese delegation arrived on 25 July; it consisted of some 50 young people from the JRPT [Youth of the Rally of the Togolese People] and the MONESTO [National Movement of Togolese Students and Apprentices] and was headed by Dr Tchirim Tcha-Kozah, member of the Central Committee and general delegate of the JRPT.

By accepting the invitation to go to Moscow (as it had accepted similar invitations to go to Havana in 1978 and to the Panafrican festival of Tripoli in 1983), Togo once again demonstrated its conviction that a better future cannot be expected unless the young are participating in a process of actual development. And Togolese artists at this festival gave a measure of the maturity and continental distinction of their country by giving a performance that placed them among the four best groups present in Moscow.

Preventing a Long War

After World War II, the atrocities which world nations witnessed soon dispelled all illusions. And this awareness of the horrors of war gave rise to a determination to achieve peace, which materialized in the creation of the United Nations Organization. It took 31 years and two murderous wars to achieve this. The objective was to institute a form of cooperation among independent states, based on the respect of sovereignties and on the search for peaceful solutions to conflicts, no matter how trifling the latter might look. And this determination was all the stronger as it appeared indispensable that the generations that would not have known the torments of war, and on whom the future of this world depended, should become aware of the happiness peace can bring. Thus, in 1945 in London, the first festival gathered the youth of 70 countries who had come to swear allegiance to the cause of peace. This was the start of a tradition based on the fact that the young constitute the social group with which we now have to reckon if we are not to fall again into the murderous errors of the past. Indeed, that year the memories of Hiroshima, Auschwitz and Treblinka were still fresh. Today, 40 years later, we must face the threat of a nuclear war, and pockets of racial conflicts and hegemony. And to do this, there is no better mortgage on the future [as published] than these young who will become tomorrow's leaders. This is the reason for the World Youth and Students Festival whose theme this year is a call for peace, for friendship and against imperialism. The event is doubly significant considering that 1985 was declared "The International Youth Year" and that the 40th anniversary of the end of World War II is being celebrated throughout the world. Briefly, the Moscow Festival is designed to give the young an opportunity to form intercontinental relations around debates and issues relating to present world

problems, and to teach them to go beyond ideological quarrels, to prefer peace to war, so that when later on they hold the reins of government, they will ensure that concord among nations will prevail.

Group from Lome in the Spotlight

These objectives, reminiscent of the ideals of the Rally of the Togolese People (RPT) and in the name of which the chief of state, Gen Gassingbe Eyadema, often points out that "no sacrifice is too great when it is for the young," these objectives therefore were represented in all of the representations given by the Togolese delegation. For it, Moscow 85 was an opportunity to present the views (which have a large audience) of its Party, dominated by ideals of non-alignment. Thus, six times, in front of an audience that fully supported their cause, the 35 entertainers of the Togolese Revolution (ARETO) disseminated the message of a realistic Togolese revolution which, in the words of one of their songs, is "neither red, nor black, nor blue, but which is called peace, union, solidarity"; and they did so in Russian, Spanish, French and English, through a varied repertoire ranging from rumba and reggae to Togolese folklore and even kazatchok (a Russian dance). And according to the Togolese artists in Moscow, to be genuine and profitable peace must "free the world from violence and atrocity," so that the Namibians must recover true independence and the South Africans stamp out apartheid through an engagement of all nations behind the African National Congress (ANC) and the South-West African People Organization (SWAPO).

The message had the impact intended, and this explains why the Togolese delegation, which originally was scheduled for a single show, became the object of so much solicitude: on Monday 29 July, Togo was billed at the "Drujba Center" (2,500 seats) and performed in front of a full house. The audience that was held spellbound by the wild rhythm of our entertainers included the Togolese ambassador to Moscow, Mr Dikeni Kerim surrounded at each representation by a Togolese colony consisting mostly of students. The audience that was left unsatisfied that evening came back for a representation in the open air the next day, on Avenue Leninski, one of the largest arteries of the city. There again, more was given than had been promised, since the representation had hardly ended when a message from the Central Committee of the Preparatory Commission of the Festival urgently invited the group to give a representation on another podium, also in the open air, not far from the previous one. If it is true that folk music is music that does not make a distinction between actors and spectators, then this second representation of the day made it possible to measure the cultural message delivered by our artists. Frenzied excitement started on the podium and soon spread among the audience and passers-by who formed dancing circles that were as much at ease in a rumba as in the kazatchok.

On Wednesday 31 July, the longest representation given by our artists took place at the International Center of African Countries. During nearly one hour, the ARETO more than fulfilled the audience's expectations. The Togolese delegation was thus in the spotlight among the cultural groups of the festival, and they were again asked to give another representation.

And on the last day of the festival, in the afternoon of 3 August, a few hours before the ceremonies at the Lenin Stadium, it was again Togo that was chosen to close the series of cultural representations of the festival. This is significant in more than one respect, considering that about 150 countries from all 5 continents were represented at the festival. And once again, the group was at its best. Already the day before, the delegation had given a representation at the Togolese embassy, for diplomats from friendly African countries. The show suddenly turned into a family reunion, and the value of the Togolese contribution is best summarized in this exclamation of an African diplomat: "Togo is a credit to Africa as a whole." This shows once again the validity of political entertainment, the political weapon of the masses whose ideals are dictated by the Party, the RPT. As it discovered exotism, the public of Moscow experienced the strength of this means of communication and combat, revealed to them during the festival by the ARETO.

9294
CSO: 3419/509

ZAMBIA

BRIEFS

OBOTE GRANTED ASYLUM--The government has not yet informed the United Nations High Commissioner for Refugees [UNHCR] about the arrival of 150 fugitive Ugandans into Zambia recently. The UNHCR representative to Zambia, Mr (Hatullahah Said) explained that the government has not yet formally informed his office about the refugees. His office is making efforts to communicate with the Ministry of Home Affairs officials. About 150 Ugandan refugees, who fled into Kenya following last month's coup in Uganda, arrived in the country last week, and home affairs minister, Frederick Chomba, said yesterday that deposed Ugandan president, Dr Milton Obote, had been granted political asylum in Zambia. [Text] [Lusaka Domestic Service in English 1800 GMT 19 Aug 85 MB]

VISIT TO ROMANIA--Kinshasa, 21 Aug (AZAP)--Citizen Kasongo Mukundji, chairman of the Legislative Council, will go on a friendly visit to the Socialist Republic of Romania from 30 August to 11 September at the invitation of the National Assembly of this country. He will be accompanied by 4 people's commissioners and 3 civil servants. [Text] [Kinshasa AZAP in French 1100 GMT 21 Aug 85 AB]

CSO: 3400/1010

ZIMBABWE

FUTURE OF NKOMO, ZAPU EXAMINED

Johannesburg THE STAR in English 9 Aug 85 p 12

[Article by Robin Drew]

[Text] So far Mr Robert Mugabe's Zimbabwe Government has stopped short of banning ZAPU, the party led by Mr Joshua Nkomo.

But the unrelenting pressure that is being kept up on him and leading members of the party has led many people to believe that time really is running out for its continuation.

There have been threats in the past, sometimes accompanied by action against individual members such as the sacking of Mr Nkomo from the cabinet when arms caches were found on ZAPU property in 1982.

Last year after a ZANU (PF) senator had been shot dead in Beit Bridge, the remaining ZAPU members in the cabinet were sacked.

But the party's link with the Government remained through the presence of deputy ministers and through the post of Governor of Matabeleland North by a ZAPU man.

The situation following the general election has changed, however, and Mr Mugabe has made it crystal clear there is no room in his administration for any followers of Mr Nkomo.

Stern warnings, the appointment of a hardline anti-ZAPU Home Affairs Minister, and the incidents in the past two weeks in which police raided Mr Nkomo's homes in Harare and Bulawayo and arrested members of his staff, signal that Mr Mugabe means business.

But if ZAPU is outlawed will it mean an end to the actions of dissidents who have murdered 45 people this year and been involved in nearly 100 contacts with the security forces? Will it mean that the people of Matabeleland (from where Mr Nkomo draws his support) will have a change of heart and become loyal followers of Mr Mugabe's party?

A member of the Law Department of the University of Zimbabwe, Mr Welshman Ncube, is one of those who believes this is wishful thinking.

In Bulawayo, stronghold of Mr Nkomo, the issue is being publicly debated in the columns of THE CHRONICLE newspaper, a point which has drawn congratulations from Mr Ncube and others.

Answering a suggestion that Mr Nkomo should disband ZAPU, Mr Ncube submitted that ZAPU was not the cause of the "Matabele Question" but merely the political manifestation of the national feeling in Matabeleland. The real issue, he maintained, was one of ethnic difference. ZAPU, while it had started out as a national party, had become a party representing the Ndebele people.

His call was for the Government to accept the reality that the Ndebele regarded themselves as a "separate" people unwilling to be swallowed up by the Shona-speaking majority.

This kind of argument is likely to draw howls of protest, but Mr Ncube said that if Zimbabweans were honest and frank they must accept that reality.

"The Ndebeles, as a self-respecting people, need to maintain their culture and language. They feel they should be politically significant. In other words they must be recognised and accepted as a people," he said.

The general election in which ZAPU triumphed in all 15 Matabeleland seats and won none elsewhere was testimony to the polarisation which has taken place-- and the age-old African problem of tribalism.

But, Mr Ncube believes, this can be overcome. Aligning himself with Premier Mugabe's one-party state ideal, Mr Ncube says the solution lies in the creation of a single party that would unite all Zimbabwe's peoples. "The one party that should be created to unite all the people of Zimbabwe must be based on the principle of regional representation so that the people of Matabeleland, for example, should have the right to elect a fixed number of representatives to the party's central committee," is how he envisages the solution.

CSO: 3400/953

ZIMBABWE

DDF DETAILS RURAL PROJECTS IN LAST FIVE YEARS

Harare THE HERALD in English 9 Aug 85 p 1

[Article by Oliver Gawe]

[Text] The District Development Fund has spent more than \$70 million on reconstruction and development projects in the rural areas during the past five years, the Minister of Local Government, Rural and Urban Development, Cde Enos Chikowore, has said.

He told THE HERALD yesterday, that the DDF had a variety of work including: Reconstruction of war-damaged roads, bridges, boreholes, dams, cattle sale pens and dip tanks;

--Initiating new development works like roads, bridges, boreholes and dams to stimulate economic growth and maintaining existing infrastructure.

--Building new offices for district councils, implementing the public works programme, transporting drought relief food, and tilling land for communal farmers.

The fund also trains its manpower to fulfill the above tasks.

During the five years ending June 30 this year the DDF carried out reconstruction and development work worth \$70,988,000 in the country's eight provinces.

Out of this total \$10,457 million was spent in Manicaland; \$9.23 million in Matabeleland North; \$8,549 million in Matabeleland South; \$1,1976 million in Midlands; \$6,619 million in Mashonaland Central; \$6,912 million in Mashonaland East; \$7,520 in Mashonaland West and \$12,525 million in Masvingo.

Under the programmes, 1,726 cattle sale pens and dip tanks were built, 7,752 boreholes sunk, 440 dams constructed, 24,366 km of roads and 637 bridges and causeways built.

"As part of its course training with production was practised to the full with DDF trainees building four district council offices and five training centres."

Beitbridge District Council offices were built in 1982; Chitepo District Council offices in 1983 at Mutasa; Goromonzi District Council offices at Bhora in 1984 and Chiweshe District Council offices at Chombira in 1984.

Training centres built by the trainees are Manyame, Masvingo, Mutare, Gweru and Gwanda.

"The DDF trainees built these at a very high standard at a much lower cost than private contractors would have charged," said Cde Chikowore.

In October 1984 DDF was ordered to plough land for the communal farmers who had lost cattle and were getting drought relief assistance. The Government bought 173 disc ploughs and assigned DDF tractors for the exercise.

"In early November DDF was in the ploughing game and by the end of January this year 3,894 ha had been ploughed--a performance which helped lay a foundation for the bumper crop now being marketed."

In the public works programme launched by the ministry with provincial governors in June last year, different projects like gully reclamation, road and dam construction, afforestation and brick making were undertaken.

By the end of May this year 24,617 people had participated in projects throughout the country with DDF providing expertise, transport, machinery and supervision. By that time 25 projects had been completed.

The organisation faced major problems during the five years.

During the next three years the DDF wants a road development and maintenance programme and has many bids for new roads from the 55 districts.

CSO: 3400/953

ZIMBABWE

ASBESTOS DEAL SIGNED WITH INDIA

Harare THE HERALD in English 3 Aug 85 p 5

[Text] Zimbabwe will export 8,130 tonnes of asbestos valued at about US\$3.3 million to India under a deal concluded this week between the Minerals Marketing Corporation of Zimbabwe and the Minerals and Metals Trading Corporation of India.

India will have the option of buying an additional 5,000 tonnes under the one-year deal ending in June next year.

MMCZ general manager Mr Mark Rule told THE HERALD yesterday that part of the transaction would be paid in cash and the other part under countertrade arrangements for Indian goods. He would not say what proportion was to be paid in cash.

Last year the corporation signed a deal to supply Delhi with 9,000 tonnes of asbestos valued at about US\$3.9 million. The Indians also had an option to buy an additional 6,000 tonnes valued at US\$2.6 million.

While in India Mr Rule discussed further the sale of emeralds to the MMTC. Last month two gem experts from the Indian corporation were in Harare on a mission that could lead to the MMTC buying Zimbabwe's entire output of exportable emeralds.

The deal with India comes in the wake of the announcement this week of the MMCZ's preliminary results which showed the corporation sold minerals worth \$540 million in its second year of operation that ended on June 30.

The chairman of the corporation, Cde Christopher Ushewokunze, told newsmen there was strong evidence in the US, Japan and the United Kingdom that the use of asbestos in a properly controlled environment caused no significant danger to its users or the public.

CSO: 3400/953

ZIMBABWE

BRIEFS

POLICE PURSUING KILLERS--The minister of state for defense, Comrade Ernest Kadungure, says the police and army are in pursuit of the gang of bandits that killed three ZANU-PF officials in the Silobela communal lands last week. He said this at the funeral of one of the three victims, Comrade July Munaga Moyo, at his home in the Sogwala area on Saturday. Comrade Moyo was taken away from his home and killed in Silobela. The other victims were Comrade Luke Mpanduki and Simon Djasu. They were all accused of being sellouts. Comrade Kadungure said once the murderers are caught, they will be hanged.

[Text] Harare Domestic Service in English 0500 GMT 26 Aug 85 ME

RADIO TRANSMITTER BEING BUILT--Harare, 29 Aug (ZIANA/PANA)--The Zimbabwe Broadcasting Corporation, under its transmitter development programme, is building a radio transmitter in Beitbridge which will beam programmes in Venda to counter Radio Truth, which broadcasts to Matebeleland south from South Africa, the Zimbabwean Assembly heard today. In his contribution to the debate on the presidential speech, the minister of information, Mr Nathan Shamuyarira, said that when completed, the Beitbridge transmitter would broadcast in Venda to the area to counter the pernicious propaganda emanating from South Africa. He also said that when the transmitter development programme was complete, no areas would have problems tuning in to ZBC programmes, and television, too, would be improved by the new transmitters. [Text]
Dakar PANA in English 1230 GMT 29 Aug 85 EA

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October 1, 1985

NIGERIA

GOVERNMENT MEASURES ATTRACTING AGRICULTURAL INVESTORS

Kaduna NEW NIGERIAN in English 7 Aug 85 p 11

[Text] There has been a "tremendous upsurge" in the number of local and foreign firms wanting to invest in agricultural production in the country, the Permanent Secretary and Executive Chairman of the Nigerian Enterprises Promotion Board, Dr Chukwuemeka Ezeife, said in Lagos on Monday.

He told the NEWS AGENCY OF NIGERIA (NAN) in an interview that "the records have shown that in agriculture, many people are coming in due to the repeated emphasis" which government actions and pronouncements have accorded the sector.

Although he gave no figures, Dr Ezeife said that the government's current attitude toward agriculture "has attracted more firms" into the sector than at any other time.

An allocation of N1.06 billion, representing 18 percent of the total estimated capital expenditure for the year, was made to agriculture in the current budget.

Last year, the government considered as an incentive, increasing to 80 percent the equity participation allowed foreign firms wanting to invest in agriculture, but has so far retained the 60 percent allowed foreign firms under the 1981 amendment to the Enterprises Promotion Decree, Dr Ezeife said.

He added that most of the foreign firms seeking to invest in agriculture had no serious objection to the 60 percent limit, rather, what they brought was "a package of incentives."

He said that the issues over which investors had expressed concern had to do with the procedure for registration, land acquisition, importation of equipment and some agricultural inputs, repatriation of capital and control of management.

In a related issue, the agricultural attache at the U.S. Embassy in Lagos, Mr Christopher Goldwait, told NAN in a telephone interview that about 20 U.S. companies were "looking seriously" at the possibility of investing in Nigerian agriculture.

The companies which he described as "very, very interested" are involved in areas such as feedmilling, poultry production, and rice and corn growing.

"One or two are looking at new areas in livestock such as pork production," Mr Goldwait said, adding that in many cases, the agricultural projects were near the take-off stage.

But he said that there was no direct U.S. Government assistance through its agency for international development, except in such cases as provision of funds to the International Institute for Tropical Agriculture, Ibadan.

CSO: 3400/943

NIGERIA

HIGH CONSUMER PRICES MAKING CHICKEN CONSUMPTION A LUXURY

Lagos BUSINESS TIMES in English 5 Aug 85 p 7

[Article by Vicky Ngozi Ikeano]

[Text]

L IKE rice which in the days of yore used to be eaten by most consumers once in a blue moon, chicken is now fast becoming for the majority of consumers, a product that is to be eaten only on festival occasions.

This is as a result of its skyrocketing price which has pushed the commodity out of reach of many. Thus whilst rice a once 'luxurious' item, is now 'common', being eaten, by all and sundry, chicken on the other hand has become a luxury commodity.

And yet some few years ago, during the Murtala Muhammed regime, chicken consumption was quite popular as the mass importation of processed

chickens which resulted in their rock bottom prices (N2 - N2.50) made them within reach of many.

The poultry industry also thrived at this period (in the late 70s and 1980) with many entrepreneurs rushing into that line of business and consumers being the better for it price-wise. That was in the boom era.

With the advent of austerity in 1982, the 'honeymoon' for the industry was over with many poultry farmers abandoning the trade. The 'hard times' manifested itself in the increasing cost of inputs, particularly feeds. This was passed on to consumers by way of higher prices of chickens and eggs. The result was a drastic drop in patronage.

The poultry industry suffered one of its worst set backs last year and as those in the industry confirm, about half of the enterprises within the industry have folded up while those which are still around are battling with increasing cost of inputs (raw materials).

Hence whereas some years ago live chickens sell for an average of five naira, today the cheapest is ten naira. Eggs which used to retail for between ten kobo and 15 kobo now goes for 30 kobo and 40 kobo whilst a crate now costs nine naira, from its former price of three naira.

As stated earlier, the major problem in the poultry industry is that of raw materials. Most of the raw materials, particularly feeds like maize are available locally.

However, as Dr. Kehinde Ledipo, managing director of Lasebi Mills pointed out, the industry was growing at a faster pace than local production of grains hence the inadequacy of maize for the industry and the current slump, resulting from import restrictions.

Maize is also used for the preparation of some staple foods across the nation. Thus there is a stress on both supply and the farmers who have to produce for the increasing needs of

both human and animal consumption. There is also the issue of selectivity as poultry farmers prefer yellow maize, for according to them the yellow type is richer than the white type for use as feeds.

The menace of drought as well as inadequacy of fertilizers and herbicide (most of which are yet to reach the farmers) are some of the factors presently militating against production.

According to the Poultry Association of Nigeria, the industry needs about 900,000 tonnes of maize yearly for the production of feeds for poultry birds while local maize harvests is put at about 300,000 tonnes giving a shortfall of 600,000 tonnes.

Last year the government imported some 200,000 tonnes of yellow maize for feedmills as a 'stop-gap' measure. Local prices of maize have been rising, increasing from N130 per tonne in 1973 to N300 per tonne in 1983 and about N600 per tonne in 1984. Currently a tonne of maize sells for about N700 and N800.

Our research institutes have developed some ration feeds from agro-by-products. However, as one expert noted: "feed cost even with the least cost

rations based on utilization of agro-by-products is still far too high."

Poultry farmers also accuse feed-millers of producing under-nourished and unwholesome feeds while feed millers in turn complain that imported raw materials are cheaper than locally available ones. Layer feeds which used to cost N3.50 now cost N6.50 per tray.

Another problem is that of day-old chicks. In the boom era, Nigeria used to import about 12 million of them every year. The country produces about 700,000 day-old chicks every month (giving a total of 84,000 per year) whereas she has hatchery capacity for 2.7 million day old chicks per month.

It was with the view of alleviating this problem that the National Poultry Production Company was established sometime in 1980. The company imported some 4,630 day-old chicks in March 1983 and another batch of 4,630 early last year. But as with all sectors of the economy scarcity of foreign exchange has been the constraining factor.

Another problem facing the poultry industry is that of production of animal health products with regard to drugs and vaccines. In

recent times however, the Nigerian Veterinary Research Institute in Vom, Plateau State, seems to have been able to live up to expectation, so to speak, as a result of the slack in poultry production.

For example, the Institute last year produced 106.3 million doses of animal vaccines. Of this number 77.6 million doses (about 73 per cent of the total production) were for poultry. However, only 57.4 million of the doses were issued out due to the shortfall in poultry

production.

Nonetheless poultry farmers have been calling for the decentralisation of the activities of the Nigeria Institute of Veterinary Research suggesting that there be branches in the states, in order to make its vaccines and drugs more accessible to the majority of poultry farmers.

Going by the current trends, prices of chickens and eggs would continue to be on the rise until the scarcity of local raw materials for the poultry industry ceases considerably.

PROJECTED SUPPLY, DEMAND OF POULTRY AND EGGS 1983 - 1985 ('000 TONNES)

POULTRY

	Demand	Supply	Shortfall	Percentage	
				Shortfall	Shortfall
1983	110.74	76.99	34.75	32.55%	
1984	114.90	77.58	37.34	32.55%	
1985	119.23	79.75	39.48	33.11%	

EGGS ('000 TONNES)

	Demand	Supply	Shortfall	Percentage	
				Shortfall	Shortfall
1983	307.77	279.98	27.81	9.03%	
1984	319.36	254.72	34.56	10.83%	
1985	331.42	287.75	43.67	??	

* Source: Federal Livestock Dept.

CSO: 3400/946

NIGERIA

AFRICAN PETROLEUM PLANS FUTURE DEVELOPMENT

Lagos BUSINESS TIMES in English 6 Aug 85 p 3

[Article by Ted Odogwu]

[Text] African Petroleum Limited in spite of difficult economic conditions recorded a turnover of N239,566,000, for the 1984 trading year under review against the N250,128,000 it achieved the previous year thus representing a drop of 88.2 percent.

Chairman Alhaji Alarape Salman unfolded these facts while addressing shareholders, during the company's Sixth Annual General Meeting held last week at the conference hall, National Theatre Iganmu.

According to the chairman, profit before tax dropped from N22,099,000 to N21,189,000 while profit after tax increased from N11,927,000 to N12,737,000 thus representing a drop of 75.8 percent and increase of 102 percent, respectively.

Furthermore, the chairman, disclosed that the company has resolved to conserve its reserves in view of the present economic situation adding that this policy will enable the company generate internal fund for future expansion.

A dividend of 10 kobo per every fifty kobo share was recommended and approved for payment to the company's shareholders and is subject to deducting tax of 15 percent.

The company paid N8,452,000 as tax for the 1984 year under review against the N10,172,000 it paid in 1983, while retained profit on the other hand increased from N5,964,000 in 1983 to N6,737,000 in 1984.

On future development, the chairman stated that the company's green sites in its land bank list are being screened for that purpose.

CSO: 3400/945

NIGERIA

CRUDE OIL EXPORTS RISE BY 53 PERCENT

Lagos DAILY TIMES in English 1 Aug 85 p 13

[Text]

CRUDE oil exports from Nigeria to other African countries went up by 53 per cent from 6.729 million barrels valued at ₦160.7 million in 1983 to 15.651 million barrels at ₦346.5 million in 1984, according to statistics on the directional flow of Nigeria's 1984 crude exports.

In proportion to the rest of the world, African countries took in 3.9 per cent of Nigeria's total crude exports last year, up from 2.2 per cent in 1983. The largest buyers were the four ECOWAS countries — Ghana, Ivory Coast, Senegal and Sierra Leone.

Figures published by the Central Bank of Nigeria (CBN), indicates that with the purchase of 6.248 million barrels of crude valued at ₦140.2 million, Ghana was the largest African buyer of Nigeria's crude while Ivory Coast bought 4.970 million barrels valued at ₦108.8 million.

Senegal imported 1.071 million barrels at ₦23.8 million and Sierra Leone, 1.842 million barrels valued at ₦37.2 million.

Oil industry sources told a

correspondent of the News Agency of Nigeria (NAN) in Lagos on Tuesday that the increase in Nigeria's crude export to Africa was caused by the concession given to African countries in the marketing strategy of Nigeria's crude.

Under the strategy, African countries are given a 90-day grace period to pay for their liftings.

According to the CBN report, Western Europe provided the largest market for Nigeria's crude with the purchase of 209.812 million barrels, up by 63.6 million barrels from 226.202 million barrels in 1983.

Exports to Western Europe amounted to ₦6.42 billion, representing 72.7 per cent of Nigeria's crude export sales in 1984 compared to ₦4.72 billion which Western European countries paid for 68.6 per cent of Nigeria's total crude exports in 1983.

For the first time since 1971, the US fell from its place as Nigeria's largest crude buyer. The largest single country importers of Nigerian crude in 1984 were France and Italy in that order.

CSO: 3400/942

NIGERIA

DESPITE OIL PRODUCTION, OGUTA SUFFERS DEPRIVATION

Lagos BUSINESS TIMES in English 5 Aug 85 p 11

[Article by Mike Iwenofu]

[Text] **A**LTHOUGH the strange phenomenon of neglect of our oil producing areas has for long been subject of public debate, it has in the recent past received renewed attention.

In a radio programme in Port Harcourt on Wednesday June 6, the Sole Administrator of the Rivers State Task Force on Environmental Sanitation pleaded with the Federal Military Government to tackle the issue of environmental pollution with legislation.

In the Sole Administrator's view, villages from where oil is mined are subjected to a lot of deprivations for no other reason than that their land contains oil.

Earlier, at the pre-view of the films which the NTA Channel 8 Cultural Group shot in Oguta, Chief Gogo Nwakuche had spoken of "the abandonment of the oil producing towns in the Oguta axis," and implored media practitioners to bring "this culpable neglect" to the notice of the authorities.

Chief Nwakuche said "It was ironic that Oguta which gives so much to the oil industry and therefore, to the national economy, gets

next to nothing in return; but instead suffers a lot of deprivations." In many ways, that was a graphic account of the tragedy of Oguta.

As an example of an oil producing area that has not benefited from the nation's oil wealth, the Oguta axis stands in a class of its own. Not only has it not benefited by way of infrastructural facilities, provision of social amenities, or training schemes for, and employment of its people in the industry; but indeed, those things which it had before the oil find have been sacrificed to, the industry with nothing given them in return.

Oil spillage, pollution and such things are conventional hazards in the oil industry. In Oguta and environs, these are Sunday School rehearsals in the face of the monumental tragedy which has lived with the people these past 30 years; — the inferno at Egbera. Nothing but personal expedience can aptly describe the ordeal which this huge flare-up has been for the people.

It has scorched the earth, and heated the waters, killing entire vegetation and water life for miles around. And worse, it has made the entire areas around too hot to sustain normal life of either plant or animal.

Traditionally, Oguta people and those around them are noted farmers and fishermen. Oguta lake and the adjoining Urashi River together with the numerous tributaries of the Niger with which it forms the swampy delta, abound in fish — fresh water fish which is very much sought after.

Alluvial deposits brought by the Niger in its long journey from Fouts Jalloun mountains and lavishly spread on the approach to the Atlantic, dutifully fertilised the soil and guaranteed rich harvests perennially. Not so these days.

For their normal growth and lives, plants and animals alike need the routine of light and darkness. Unfortunately for both, the Oguta/Egbera flare-up has provided unending light — with scorching heat — 24 hours everyday, seven days every week and 52 weeks every year for these past 30 years.

Little wonder, plants and animals in the axis have died away. Little wonder too, there is today a drastic decline in both farming and fishing activities in the area.

The people of Oguta have been most resentful of this, and they have left no one in doubt about this. Chief Nwakuche and all those I spoke to in both Oguta and the neighbouring towns were not happy that

neither the Federal authorities which get the bulk of the oil revenue, nor the oil companies which cart away enormous profits has done anything noteworthy to alleviate the sufferings of the people who have been exposed to the rigours, the tensions and tribulations of living with Egbera perpetual daylight.

The attention of the authorities has been consistently drawn to this sad state of affairs. It is on record that in virtually all the addresses which they have presented to visiting dignitaries, they have spoken of the flare-up and the glaring absence of "federal presence" in their area. Rather unfortunately, nothing much has materialised from these.

The Federal Government formula for the sharing of oil revenue makes provisions for ecological disaster incidental on oil exploitation.

This perhaps is why there is this tenuous argument that the Oguta/Egbera flare-up has to do with natural gas; and not crude oil. If this is the basis of the abandonment of this axis, it only has to be remembered that Akiri One and Two which are productive oil wells are in this same axis.

Hopefully though, the days of the flare-up are numbered — thanks to the dynamism of Energy Minister Professor Tam David-West who is working relentlessly for the setting up of the Liquified Natural Gas (LNG) plant. But then, the

question arises: when the flare-up stops, what happens to the damage it must have left in its wake? What happens to the scorched soil? And the lagoons and streams and rivulets which have been rendered uninhabitable for marine-life? Shouldn't there be reparations? And if there would be, what form would they take?

Port Harcourt, Warri and Oguta have a number of things in common. All three are ports. Days gone by, they were out-posts for Portuguese and other European traders. They have abiding social, cultural and economies. These days, they are king pins in their respective axis all of which are oil producing. In one aspect however, the difference between them is staggering. That is the area of modern development.

Admittedly, both Port Harcourt and Warri were more developed than Oguta before the oil bonanza. But certainly, the gap since oil has widened beyond recognition.

Today, both Warri and Port Harcourt have modern refineries. Oguta has none. The ports in both cities have been modernised. On the other hand, plans to dredge the Niger up to Oguta have never been more than bandied about for more than 15 years.

Port Harcourt and Warri have robust "federal presence" — Warri boasting a multiple million Naira steel

mill and Port Harcourt, a modern airport upgraded for international connections. Oguta has no such things.

No one quarrels with these "gifts" which are predicated, among other things, on the aphorism that the bull that threshes the corn must not be allowed to starve.

But then, what is good for the goose should also be seen as good for the gander. As of now, for all that Warri and Port Harcourt have to show as their reward for contributing to the nation's oil wealth, Oguta has nothing in spite of Akiri One and Akiri Two.

Of course, with the refineries near Port Harcourt, no one would propose the setting up of another refinery near or in Oguta. But clearly, there are other areas of development which could be extended to Oguta.

Surely, the need exists for the Federal Military Government to prove to the people of Oguta that the present state of abandonment is not the result of wilful neglect. In this regard, action should be allowed to offer the proof.

Government could start off meaningful assistance to the people of Oguta by initiating a scheme to restore the productivity of the farm lands affected by the flare-up.

This of course should include the streams and rivulets and the lake which are now almost barren of water-life. It may yet be a pretty long way to the end of the flare-up. But nothing

whatsoever stops the government from commissioning a study on the rehabilitation scheme at once.

Added to this, the Federal Military Government should consider seriously the idea of setting up an agro-allied industry in the area-based on its variety of agricultural products which include cassava, maize, palm oil and kernel, plantains etc etc. It could do this in partnership with the Imo State Government, indigenous entrepreneurs or oil companies.

In this regard, it is on record that only recently, a leading oil company in the country was canvassing the idea of assisting indigenes of oil-producing areas by establishing agro-based industries in their areas and thereafter helping the local citizenry to make a living from agriculture.

Lastly, the plan to dredge the River Niger and, in the process establish an inland water port at Oguta should be ferreted out from wheresoever it had been buried. Thereafter, the Federal Government should give meaningful assistance to this very worthy project.

The establishment of a River port in Oguta will serve a dual purpose. It will put to rest most effectively any talk about organised neglect of Oguta and environs. More importantly, it will give a tremendous boost to the national economy. The port will serve as a base for easy and cheap transportation of goods to and from the Igbo heartland.

NIGERIA

LUKMAN SAYS MINING, STEEL TO RECEIVE GOVERNMENT PRIORITY

Lagos DAILY TIMES in English 8 Aug 85 p 12

[Text] The Federal Government places emphasis on the establishment of indigenous mining and steel industries to lay a solid foundation for a stable industrial growth, Mines, Power and Steel Minister, Alhaji Rilwanu Lukman has said.

Inaugurating the reconstituted nine member board, of the Nigerian Coal Corporation in Enugu yesterday, Alhaji Rilwanu said it was because of this that government had decided to "revitalise the corporation."

The minister said that the Federal Government had embarked on a coal/energy programme which would "trigger off accelerated production and consumption of coal in the country," adding that feasibility studies had also been conducted on coal deposits in Anambra, Bauchi and Benue.

He said the ministry had carried out studies aimed at producing by-products of coal such as BTU, oil, tar, ammonia and sulphuric acid as well as determining the percentage of Nigerian coal that could be blended to coking coal for use in the nation's steel plants.

Alhaji Rilwanu said that the staff of the corporation, in conjunction with experts from the ministry, would ensure that the projects were implemented in the fifth national development plan.

He urged the board to use its four-year tenure to evolve a master plan that would enable the corporation to produce coal in commercial quantity on a profit-oriented basis to enable it to pay its staff. He added that the board should not involve itself in the day-to-day running of the corporation in order to "avoid conflicts with the management."

Earlier, the acting general manager of the corporation, Mr Raphael Ohaneje, said that the export demand for the corporation's coal now stood at five million tonnes yearly.

Mr Ohaneje said that the corporation had decided to limit its coal export to "only four serious and genuine coal exporters," adding that it hoped to make a minimum shipment of 5,000 tonnes monthly.

He said that the corporation had paid staff salaries up to January as well as pension and allowances up to November last year, and urged the minister to make funds available for the payment of salary arrears to enable the company to "stand on its feet."

Exchanging views with the minister, Governor Allison Madueke called for a review of Nigeria's energy policy to avoid continued dependence on petroleum as the main source of revenue for the country.

Navy Captain Madueke said that it would be unforgivable to continue to neglect other sources of energy in favour of crude oil.

He said that coal could become important in the future just as it was in the past. He added that all available energy sources should be tapped so that the absence of one or the other would not result in disastrous consequences for the nation's energy industry.

CSO: 3400/942

NIGERIA

LUKMAN EXPLAINS FAILURE OF POLISH-BACKED COAL MECHANIZATION PROJECT

Enugu DAILY STAR in English 8 Aug 85 p 1

[Article by Cyprian Madu]

[Text]

THE Minister of Mines, Power and Steel, Alhaji Rilwanu Lukman has said that the mechanization of mining operations in the Nigerian Coal Corporation, by a Polish consortium — the Kopex could not come into fruition due to technical problems.

Among these problems are lack of pre-feasibility studies to determine the geology of the mining areas and the suitable materials for the manufacture of machinery and parts which could stand the test of acidic water in the mines.

Announcing this while inaugurating the nine-man board of directors of the corporation in Enugu, Alhaji Lukman also identified supply of obsolete machinery, incessant power failure and frequent flooding of mines without provision of adequate dewatering pumps as the constraints militating against the success of the mechanisation scheme.

Besides, he went on, the corporation was bedevilled with spate of allegations of corruption, impropriety in the award of contracts, mismana-

gement of funds, in-fighting at the management level, stratification and polarisation of the staff into various ethnic and opposing camps.

The minister therefore charged the new board to assist the federal government in revamping the coal industry since the basic problems had been identified, adding that any officer found wanting in the performance of his duties or obstructing the attainment of the goals of the corporation would be dealt with appropriately.

He told the new board not to interfere with the day-to-day operations of the corporation but instead to monitor the effectiveness and productivity of the management with a view to ensuring that the industry was given a face-lift.

Alhaji Lukman emphasised that the primary functions of the board was to evolve and implement a master-plan that would motivate and guide the coal industry to produce and sell coal in commercial quantities so that it could fend for itself without much reliance

on government subvention.

The minister also announced that feasibility studies have been conducted on coal carbonisation for the mines with a view to producing by-products and the determination of the percentage of Nigerian coal that would be blended with coking coal for use in our steel plants.

He disclosed that the white paper on the internal inquiry conducted in the corporation last year would be released very soon.

Earlier, the acting general manager, Mr R.E. Ohaneje said that the industry was battling to survive from the numerous problems confronting it.

Mr Ohaneje assured that if the corporation was given adequate fund to carry out its survival programmes, it would stand on its feet again.

In his own speech, the chairman of the board of directors, Mr J.E. Ataguba pledged the board's total commitment in improving the fortunes of the corporation.

CSO: 3400/944

NIGERIA

BRIEFS

ARMY SUPERMARKETS OPEN--Special military supermarkets started operating in Lagos and other parts of the country yesterday called Nigeria Army Post Ex-change (NAPEX). The Chief of Army Staff Major General Ibrahim Babangida is chairman of the board of directors of the NAPEX while the quartermaster general, the adjutant general, director of army staff duties and director of army finance and administration, are members of the board. Commanders of army units at all levels would monitor the sales of the commodities to prevent diversion of the commodities to nonmilitary personnels. Among other things, the NAPEX rebags rice into five kilogram units and would rebottle liquid products like palm oil soon. NAPEX plans to run fuel stations and other "businesses that can benefit the Nigerian Army." [Text] [Lagos DAILY TIMES in English 7 Aug 85 p 2]

NEW CLINIC IN POTISKUM--The Director of Potiskum Medical Clinic (PMC), Dr Peter Onyekere Onyekwena, on Friday in Potiskum said that entrepreneurs had a greater role to play toward the attainment of health for all by the year 2000 through the establishment of private clinics in rural areas. Speaking at the commissioning of N31,000 private medical clinic in Potiskum, Dr Onyekwena said that the clinic had treated about 1,000 patients from the locality since its inception in February. The clinic was officially commissioned by the Emir of Fika, Alhaji Abali El-Mohammed (NAN). [Text] [Kaduna NEW NIGERIAN in English 7 Aug 85 p 7]

ARMY TO HAVE OWN BANK--Nigerian Army is to open and run its own bank, the Chief of Staff, Supreme Headquarters, Major-General Tunde Idiagbon, said in Lagos on Sunday. He said on a Radio Nigeria programme, "Matters of the Moment," that Nigeria was underbanked adding that he saw nothing wrong with the opening of as many banks as possible to aid the economic revival process so long as such banks fulfilled all the necessary criteria laid down for the establishment of new banks. Many of the branches of existing banks in barracks, the Chief of Staff said, mainly operated on pay days and could therefore, not satisfy the day-to-day banking requirements of officers and soldiers. General Idiagbon said he believed the proposed bank would be viable since existing ones were making huge profits in spite of the economic recession. (NAN) [Text] [Kaduna NEW NIGERIAN in English 6 Aug 85 p 20]

BENUE STATE RESHUFFLES CABINET--The Governor of Benue State, Brigadier Atom Kpera has announced a cabinet reshuffle in which five commissioners have swapped portfolios. A statement from the Press Secretary to the governor,

Mr Simon Amase said Mr John Agada Igomu has moved from the Ministry for Local Government and Chieftaincy Affairs to that of Commerce, Industries and Cooperatives. Mr David Hwande who was Commissioner for Commerce, Industries and Cooperatives is now in-charge of Information, Internal Affairs, Youth, Sports, Arts and Culture. The statement said Mr David Aondoakaa Utume who has been succeeded by Mr David Hwande has now been moved to the Ministry for Local Government and Chieftaincy Affairs. Others affected in the reshufflement are Mr William Amguti who now takes charge of the Health Ministry in exchange with Dr Alex Kadiri who has replaced him at the Ministry of Works, Transport, Housing, Lands and Survey. [Text] [Kaduna NEW NIGERIAN in English 6 Aug 85 p 3]

OIL EXPLORATION DROPS--Oil exploration at the country's oilfields dropped in June compared to May, according to the August edition of the NIGERIAN PETROLEUM NEWS. The publication said that the number of groups involved in seismic activities dropped from 11 to 10 during the period. It attributed the decline to the withdrawal of the Pan Ocean Team following the completion of its programme in the company's mining lease. It reported that during the two months, the NNPC and Shell Petroleum maintained three seismic parties each, ELF had two while AGIP and Gulf had one each. The petroleum news further said that as in the previous month, 10 rigs drilled 14 wells. Shell deployed four of the rigs, while ELF had two and AGLF, Pan Ocean and NNPC one each. It said that 82 seismic parties operated between January and December 1983, during which 31 wells with a total depth of 76,967 metres were explored and 100 wells of 281,334 metres depth were either appraised or developed for exploration. [Text] [Lagos DAILY TIMES in English 9 Aug 85 p 13]

EARTH TREMOR FEARED--Huge earth cracks have been found at Pindiga in the southeastern part of Bauchi State. The state government officials now speculate an impending earth tremor in the area. Some of the government officials who visited Pindiga to assess the situation and extent of the cracks, agreed that they have all the signs of a quake. The cracks which cover almost all of Pindiga were said to have been noticed some 30 years' ago according to the district head. They later disappeared only to resurface more extensively. The cracks were noticed recently at Kuri Village following the flood disaster there, only to spread to Pindiga when the attention of the state government was drawn to the new menace. Each of the cracks measures over two metres, but its depth could not be reached because of obscurity. An engineer with the state Ministry of Works said the fact that the cracks took place even in the rainy season makes it more baffling, suggesting that only a seismic study could unravel the mystery. [Text] [Lagos DAILY TIMES in English 1 Aug 85 p 12]

EAST GERMAN TRADE PACT--Nigeria is to receive about N200 million loan under a bilateral trade credit agreement to be signed with East Germany. The loan will be for the implementation of the second phase of an education programme. This news was contained in the STANDARD CHARTERED REVIEW JOURNAL for July 1985 published in London. The journal also stated that the fifth international trade fair would be staged at the Tadewa Barewa Square in Lagos from second to 10th November this year. Towards this end, foreign companies wishing to participate have been issued guidelines. According to the journal,

sample products to be displayed should have direct relevance to the priority objectives of the administration. The areas of interest, the journal stated are integrated agricultural production and processing, the development of local raw materials for industries, housing education, science and medicine and the transfer of technology, generally. [Text] [Lagos DAILY TIMES in English 1 Aug 85 p 2]

NEW NTA TRANSMITTER--A new transmitter to boost the services of Nigerian Television Authority (NTA), Makurdi will soon be installed. The Director General of the authority, Mr Vincent Maduka, announced this when he paid a courtesy call on Governor Atom Kpera in Makurdi recently. He said the equipment had already been acquired but that the installation was delayed as a result of a technical hitch which would be rectified soon. Mr Maduka said the NTA Makurdi and Maiduguri were lagging behind in studio development and expansion but expressed satisfaction with the way the Makurdi station was managing its affairs. He stressed that although the Makurdi station has only one transmitter, it was striving hard to transmit its programmes to its viewers. In his remark, Brigadier Kpera noted that the exposition of the Kwagh-Hir on the NTA network had boosted the moral of artists in Benue State, particularly in the TIV speaking area. The director general, who was on a two day working visit in Makurdi, has since returned to Lagos. [Text] [Kaduna NEW NIGERIAN in English 31 Jul 85 p 13]

ARMY RESERVE SCHEME--The Nigerian Army is planning to launch a reserve scheme. The Director-General of Army Reserve, Recruitment and Resettlement, Brigadier J. Onoja hinted that the proposed reserve unit would be composed of civilian volunteers who would avail themselves of the opportunity for military training and military operations during war time, among others. He pointed out that the future development of the army would be closely linked-up with the development of the proposed reserve scheme. Brigadier Onoja was highlighting the activities of his directorate, during celebrations marking the 122 anniversary of the Nigerian Army. He disclosed that his directorate had already initiated proposals for relevant legal backing for the scheme to the appropriate authorities. [Text] [London TALKING DRUMS in English 22 Jul 85 p 24]

CSO: 3400/950

SOUTH AFRICA

FREEDOM CHARTER BACKERS CONSIDERED ANTI-CAPITALIST

Johannesburg BUSINESS DAY in English 22 Aug 85 p 6

[Article by Ken Owen: "Could Anglo Pass Off as a Barbershop?"]

[Text]

FORGIVE me for using socially unacceptable language, but I feel compelled to mention again the Freedom Charter, which so many elements of the United Democratic Front endorse.

The Charter gets more puzzling with every explanation.

One Wits lecturer, Dr Duncan Innes, says it expresses the aim of creating "a democratic capitalist state". He says the SA Communist Party has had great difficulty in reconciling its own anti-capitalist struggle with its support of the Charter.

Innes argues with great subtlety that the Charter, despite its demands for nationalisation of banks and monopoly industries, and the redistribution of land, is not to be feared by liberals who tend to get fussed about coercive governments.

If he were right, I would gladly endorse the Charter because it contains a lot of ideas that were beautifully expressed by Thomas Jefferson and Abraham Lincoln.

The trouble is that an even more eminent interpreter of the Charter, Dr Raymond Suttner — a member of the UDF executive as well as a Wits lecturer — gives quite a different interpretation.

Suttner's views were spelled out in great detail when he delivered the T B Davie Memorial Lecture at the University of Cape Town last September 26.

Let me quote him:

"The struggle for the Charter is therefore an anti-capitalist programme, because any programme to end racial oppression in SA must be anti-capitalist."

That, indeed, is my understanding.

Suttner adds an intriguing twist: "In the first place, its (the Charter's) attack on the monopolies is primarily an attack on the control of the SA economy by international capital."

Later he says: "... industries as a whole would be under the control of the people; that is, the people's government. Under this general control, individual production units would be under the control of workers' committees."

It all seems very clear. What remains in SA of Barclays and Standard will be grabbed by the state and administered by brilliant neo-Marxist technocrats who now, presumably, are squandering their talents by lecturing undergraduates.

Bank clerks would become public servants, and unseemly competition would no doubt be forbidden. Foreign banks would be the first to go.

This raises the intriguing thought that, as foreign news media spread the notion that revolution is at hand, foreign businesses may feel so threatened that they would rather be invested in some capitalist hell like Canada or Australia.

One can understand their feelings, but it does suggest that disinvestment may sometimes owe less to abhorrence of apartheid than to terror of liberation.

Local financial institutions will not escape. Liberty Life will be freed from the genius of Donald Gordon and will no doubt be run by a junior lecturer from the maths department who understands the benign use of unfettered power.

Sanlam and Old Mutual will go the same way, along with United, Allied and the Perm.

Suttner realises that all this may alarm middle class supporters who are, for the time being, required to lick envelopes and fix the sound system for the agents of liberation.

He tries to reassure us: "It is important that people should realise that with national liberation these classes and strata need not fear for their future ... It might in fact be in the interests of socialism for all such strata and middle classes to continue to operate, subject to working-class control.

If a future socialist state were to take over the small enterprises in the townships, on the street corners, the barbershops, the small traders, the handicraft stalls and similar activities, it would undertake a huge burden. In order to manage these small enterprises, it would have to establish a massive bureaucracy.

"Such activity might best be left in private hands, subject to state control. There are some types of work, such as those of barbers, that are performed most efficiently on an independent basis."

There we have it. I must say I find Suttner's reading of the Charter most persuasive: all businesses bigger than barber shops, handicraft stalls and township enterprises (even shebeens?) will be taken over by the state and run by workers committees subject to state control.

Clearly Anglo American has no

more hope of surviving under the Charter than Liberty Life or Barclays. Similarly, foreign-controlled businesses have only one choice: disinvest before liberation, or get robbed afterwards.

Undertakings like Aberdare Cables (controlled by Philips of the Netherlands), and IBM, Chubb, Lonrho, Masonite (controlled by US Gypsum) and Concor (Hochtief AG) and Everite (Swiss Eternit group) are all on the hit list.

Not to speak of GM and OK and BP, and Shell and AECI and hundreds upon hundreds of other companies, local and foreign, which cannot by any stretch of the imagination be passed off as barbershops.

Even so, there are still grey areas. The major newspaper companies are bound to be taken over and *Business Day* would join the SABC as instruments to control rather than inform the people.

But what would be the fate of *Weekly Mail*, that brave independent newspaper run by former *Rand Daily Mail* and *Sunday Express* staffers whose belief in freedom of expression is so great they have poured their redundancy payments into the undertaking?

Presumably, if *Weekly Mail* succeeded and became an immense profit-making institution in support of liberal democracy, it would be nationalised. If it were thoroughly botched, and lingered as a loss-making little journalistic barbershop, it would be allowed to survive.

At least, that is my understanding of how centrally-controlled economies work.

Perhaps now somebody will come forward to tell us who they have in mind as chief commissar in charge of all this. I'd like to be assured that he hasn't spent his entire life in sheltered employment on campus.

SOUTH AFRICA

HEALTHY SOUTH AFRICAN TRADE WITH TAIWAN CONTINUES

Johannesburg THE CITIZEN in English 27 Aug 85 p 27

[Text]

"SOUT" African trade with Taiwan shows no signs of the uncertainty now growing where other countries are concerned.

Trade between the two is at present estimated to exceed an annual \$500-million, and plans are to increase this with the possible purchase by Taiwan of some 2-million tons of coal, together with a significant increase in South African implants of communications and computer equipment.

In addition, volumes of television and hi-fi components for assembly in Transkei, Ciskei and Bophuthatswana are also to be increased.

According to recent figures from the Taiwanese Economic Council, South Africa imported \$256-million of products to the end of April, while exports amounted to \$81.2-million, a fall of 36.9 percent in imports by South Africa while its exports were up 28.9 percent.

The economic counselor for Taiwan, Mr C C

Kan, sees the balance of trade turning around shortly as more products are imported by South Africa to feed the rapidly growing industries in the national states.

To date, Taiwan has 42 factories in these areas with plans to expand them as soon as possible, particularly in textile and footwear.

The healthy state of this two-way trade has meant that a leading independent shipping line, Nantai Line of Taipei has introduced its third fully cellular vessel to increase the frequency of sailings between the two countries.

The new purpose-built ship named Nantai Princess is a 10 800-ton vessel and arrived in Durban following its maiden voyage in mid-August. Apart from the regular ports of call the Nantai Princess will be directly calling at Kobe and Yokohama. Nantai Line is confident that the improved rotation will be to the benefit of all clients as well as Far East South African trade as a whole.

CSO: 3400/1030

SOUTH AFRICA

APPLE COMPUTER PULLOUT SCORED

Johannesburg SUNDAY TIMES (Business) in English 18 Aug 85 p 28

[Article by Kerry Clarke]

[Text]

APPLE Computer's decision to pull out of SA has been described as disgusting.

Computer dealer Joan Joffe says: "When they were doing well, they were happy to support us. But when times got tough, they took the first opportunity to pull out."

Mrs Joffe says Apple sales dropped in the past six months as it faced increasing competition from IBM and compatible personal computers. She says the Apple machines were mostly overpriced when compared with other PCs.

Taiwan

Her business will not be much affected because Apple sales no longer comprise a large part of her turnover. She will continue selling mainly IBM and Hewlett-Packard machines. She is considering products from the Far East.

Dealers buying computers from the East could benefit from the American disinvestment campaign. Taiwanese computers are receiving increasing exposure on the SA market.

Taiwan has a flourishing electronics and computer industry. It exported \$152.3-million worth of information products and components in

1984, a 116% increase over 1983.

The Taiwanese Government has identified the information industry as strategic and is promoting its development with concessions, such as research loans.

High-technology science parks have been established to attract investment and raw material can be imported duty-free.

Manufacture

Multitech, the largest microcomputer manufacturer in Taiwan, sells its products to SA through Cape-based Embel Data Systems.

Carl Muller, director of Embel, believes the disinvestment campaign and Apple's withdrawal could influence buyers in favour of a Taiwanese machine. His sales of Multitech machines were 400% over budget this week.

He says sales are going so well that SA manufacture on a joint venture basis with Multitech is being considered.

Mr Muller says Embel is starting to make inroads into corporate markets with the Multitech IBM-compatible micro-computers and Unix minicomputers.

Another Taiwanese electronics company, Mitac, is also investigating manufacture in SA.

CSO: 3400/996

SOUTH AFRICA

POLITICAL, ECONOMIC PROBLEMS ACCELERATE EXODUS

Johannesburg SUNDAY TIMES (Business) 18 Aug 85 p 11

[Article by Angus MacMillan: "Stout Hearts and Lots of Money Needed to Quit"]

[Text]

THE state of emergency and a Mickey Mouse rand are grounding potential emigrants and sparing South Africa from an even worse shortage of skills.

Not for those who wish to leave the easy path to pastures new that their predecessors had after Sharpeville and the 1976 Soweto riots. The 1985 chicken run is through a minefield.

Few nations or foreign companies want to be seen to be offering an escape route to disenchanted white South Africans; few potential emigrants want to sell their houses in a depressed market; few people are prepared to be crucified on the foreign-exchange merry-go-round.

Main reason

In 1977 and 1978, SA's net migration was in the red, partly because of politics and partly because of a downturn in the economy.

The number of political malcontents leaving SA shot up after the Soweto riots, but the main reason for the net migration loss was that fewer people settled here.

Immigration soared when gold started to boom in 1980. The gold boom also more than halved emigration from 1977 levels.

Although the Department of Home Affairs has applied stricter control on immigra-

tion because of economic restraints, SA is still one of the easiest countries in the world in which to gain permanent residence.

It takes little more than a white skin and lack of a criminal record to be able to settle in SA.

In Canada and Australia a strict points system ranks potential settlers on family, occupational and financial qualifications. It is continually adjusted in line with the state of the economy.

The number of foreigners settling in SA has dropped considerably since 1981 and 1982 when 4 000 people a month arrived.

Although the number of people leaving is picking up, it is hardly an exodus.

Immigration in the first three months of this year was 40% down on the same time in 1984 from slightly more than 8 000 to 5 700. Emigration, 2 005 this year compared with 1 763, was 13% higher in the first quarter.

Faster

Last year 8 550 people left SA, but 23 793 newcomers were granted residence permits.

The new breed of whenwe, the when we were in South Africa strain, would be spreading a lot faster if not for financial problems.

Whenwes started their whining reminiscing after

leaving East Africa in the 1960s. Then there were the whites who left Northern Rhodesia and Nyasaland and most recently those who took flight from Zimbabwe.

Carrots

If all the applications made by South Africans to foreign embassies, particularly the Canadian, Australian and US missions, were successful, the Great Trek would be eclipsed.

Peter Swynn, who runs a personnel business which places computer fundus, has no doubts about what would happen if emigration were simple.

He says: "If a couple of American companies chartered a Boeing 747 to SA they'd fill it up overnight. We may be a bit behind in networking and communications, but our hardware and software are up to date.

"Foreign companies have not really latched on to the idea of recruiting in SA and some don't want to be seen recruiting here. We have had inquiries from some foreign employers, but most people serious about emigrating go and have a look first, return and make plans."

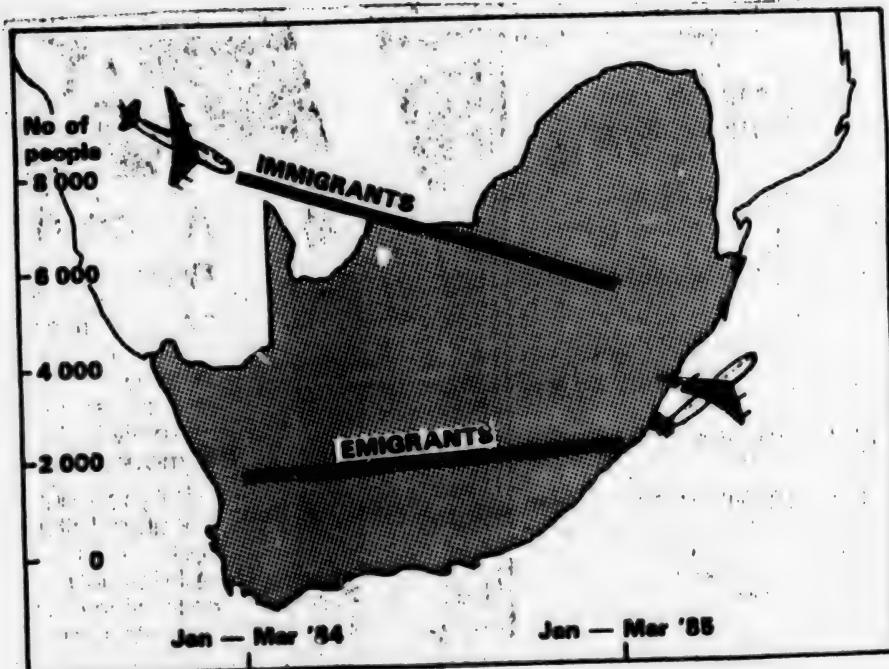
There is no doubt that SA's bad image abroad has limited foreign interest, but several job carrots are offered openly.

A few that have appeared in the appointments pages of Business Times include:

Gratuities

- Accelerate your computer career with Ford Australia — interviews in late August.
- CAs for Chicago — interviews mid-August.
- Sub-editors for Sydney Morning Herald — a senior executive will arrange to see you in SA.
- Valuers of plant and machinery for Australia and New Zealand — interviews in September.

Jobs with tax-free gratuities are offered in Malawi, Swaziland and Botswana; there are immigration lawyers from the US advertising their services in SA newspapers.



Sunshine

Even the sunshine is being used against us, it seems.

An Austin Knight recruitment advertisement for electronic jobs in Britain reads: "If you're ready for a little less sunshine and a lot more scope for you career ..."

Barclays Bank's business brief puts an economic upswing off until the second half of 1986. It blames the state of emergency for delaying an upturn.

What is worrying employers, apart from the loss of valuable skills, is their inability to attract replacements.

While the economy is in bad shape they can often go without, but when it improves they could be stuck.

CSO: 3400/996

SOUTH AFRICA

ACCELERATING BRAIN-RAIN PROBLEM DISCUSSED

Johannesburg THE SUNDAY STAR in English 18 Aug 85 p 6

[Text]

ONE OF South Africa's top computer men, Ash Emery, has put into perspective the cost to South Africa of the accelerating brain-drain.

Dr Emery is chairman of the Transvaal Computing Services Association. He is a member of international computer associations and earned his doctorate with the first detailed study of the South African computer industry.

At a recent in-company seminar he said the question was not why computer people were leaving, but whether this country could afford to let them go.

"For years I have been saying that top employees should be treated as investments. For years it has fallen on deaf ears and now we are paying the price.

"Employers blame the political and economic situation for the brain-drain but one must not forget that computer professionals are generally task-oriented

and will identify with a challenge. They will be thoroughly motivated if management is capable of providing projects that stimulate talented staff. Career development and twice-yearly performance appraisals are essential for systems, programming and engineering staff."

Dr Emery has developed a model which caters for a computer professional's career development within an organisation.

"The heart of the model is the appraisal interview itself. If line and personnel management follow the model, which is totally flexible, computer professionals will not be seeking opportunities abroad.

"I agree that they have reasons to seek greener pastures. The perks tax was ill-conceived and introduced at totally the wrong time. The imposition of military service for foreigners was again ill-conceived when at least 35 percent of our industry's

professionals are foreigners and are eligible, or have children eligible for call-up.

"Nevertheless, we must accept these facts as well as computer sanctions, or the threat of sanctions, which are now upon us. It is time we stopped sticking our heads in the sand.

"Training black staff must be a priority; the incoming flow of suitably qualified computer people is still a trickle compared to the flood of experts leaving the country."

Given this depressing scenario, Dr Emery is surprisingly optimistic: "This country has some highly talented, if temperamental, staff. If personnel managers can provide planned career-development for computer people and create a creative working environment, then we might pull through. But we must stop paying lip service to career-progression and start adopting some enlightened policies."

CSO: 3400/996

SOUTH AFRICA

URBAN FOUNDATION'S AGENDA FOR REFORM DISCUSSED

Johannesburg BUSINESS DAY in English 21 Aug 85 p 8

[Article by Peter Honey]

[Text]

THE Urban Foundation has put forward a "reform agenda" which it believes is a prerequisite for orderly political, social and economic change in South Africa.

It places the foundation squarely in the camp of business-orientated organisations which favour negotiations for power-sharing with black leaders and a federal constitution.

The foundation's executive chairman, Jan Steyn, urges government to take the lead, but concludes that the private sector shares the need "to go far beyond its present views of social responsibility" in helping to bring about a new order in the country.

"All South Africans should be reassured that we are not embarking on a course of action which will end in seige and repression," he says.

The agenda calls for:

- Government to end the state of emergency as soon as possible;
- The interim appointment of respected ombudsmen in each of the 36 emergency districts to handle allegations of Security Force malpractices;
- The creation of a framework for legitimate negotiation with black leaders, and an open-ended agenda which would include the principle of power-sharing at central government level, and the possibility of a federal element in a future constitutional dispensation for all people in the country.

Deregulation

- A commitment to abolish influx control by a fixed date — possibly

June 1986 — as part of a vigorous urban development policy;

- The establishment of a single education ministry and a clear commitment to implementing the recommendations of the De Jangé Committee;
- Deregulation of small businesses "with immediate effect";
- An end to forced removals;
- The right to common citizenship for all South Africans; and
- The introduction of remission of sentences for "political" prisoners.

There was a serious need for a structural process through which black leadership could negotiate the process of reform and law and order, Steyn said. In the absence of these structures "we have to accept the existence of a wide range of black leadership that exists outside of formal structures," he said.

It was imperative that authority created enough faith in the reform process to enable the black leadership, who favoured negotiation rather than violence, to respond positively to negotiation, he added.

The present cycle of unrest had built on several widely-felt grievances. These included:

- Black resentment at their exclusion from a parliament based on a tricameral constitution incorporating other population groups previously excluded from political power;
- A complex of educational issues;
- Inadequate housing, poor access to finance and a lack of serviced land;
- Power struggles between rival black political groups, such as the UDF, Azapo, the National Forum and Inkatha;

"All that is required is to encourage it by a rational set of policy incentives for a dynamic of a very positive nature to occur," he said.

Possible

The core structures of South African society had to be reformed if the quality of life was to be improved.

Rapid change without violent reaction is possible, Steyn says. For example, the granting of property rights and recognition of the permanence of blacks, desegregation of sport, trade union rights and scrapping of prohibition against inter-racial marriage had not provoked intense antipathy on the part of whites.

While State President P W Botha referred to some of these issues when he addressed the Natal NP's congress in Durban last Thursday, it is clear why the Urban Foundation was disappointed at his failure to commit government to bold action.

● The failure, in key areas, of the system of black local government.

"It is our contention that structural defects in the society at large underlie many of the specific problems that face us today," Steyn said.

"We have failed to accept the fact that South Africa is a developing society with many of the characteristics commonly associated with Third World countries.

"Thus we have failed to confront the fact of urbanisation; we have sought to impose standards and institute controls that strangle initiatives, and we have imposed political solutions which have been irreconcilable with appropriate economic development."

But there remained much to be positive about: people had proven their entrepreneurial drive by organising themselves into effective community groups, making decisions, managing their affairs and developing informal businesses.

CSO: 3400/996

SOUTH AFRICA

PORt ELIZABETH UNEMPLOYMENT SOARS

Johannesburg BUSINESS DAY in English 21 Aug 85 p 8

[Article by Claire Pickard-Cambridge]

[Text] Unemployment around Port Elizabeth—put at 56%—gives little hope to those who live there, reports Claire Pickard-Cambridge.

SOARING unemployment in the Port Elizabeth area has been described as catastrophic by several academics. A recent sample survey put the jobless rate in townships at 56%.

The survey was conducted last month, by Professor Mike Levine, of the Department of Economics at Port Elizabeth's Vista campus, among work-seekers in Zwide, KwaZakhele, New Brighton, KwaMaxazi, Motherwell, Kwanobushle and Langa.

Nobody is quite certain about statistics in a volatile, unpredictable area where squatter communities mushroom overnight. The Port Elizabeth Chamber of Commerce believes there are an unprecedented 75 000 work-seekers in the area.

Clearly, good surfing and beautiful beaches provide little hope in an area characterised by structural unemployment and hard hit by a boycott of shops outside black areas.

One searing illustration was a strike by 249 blacks at the Port Elizabeth abattoir on Tuesday, July 23. The workers struck over the detention of two colleagues and were dismissed two days later. The 249 were replaced with white, coloured and black workers on the same day.

Abattoir manager Willie Swane-poel said they had not advertised for applicants and had been swamped by a further 300 whites and about 300 coloureds, whom they turned away the following day.

We found that few blacks applied for the jobs, but we have never had a flood of applications from unemployed whites before," he said.

Port Elizabeth has always had greater unemployment than other metropolitan areas, but its case is a telling pointer about chronic unemployment in the rest of the country. As a traditional flashpoint of black-white conflict, it is also regarded as a thermometer of black political developments.

Levine points out that the thousands of unemployed have no income nor hope and conditions cannot begin to ensure political stability.

He believes that this situation applies to the Eastern Cape's entire region D — which includes East London — because the area has an overpopulation problem and insufficient jobs.

Unemployment statistics in the East London region are even harder to come by because most work-seekers live in the Ciskei. However, Levine says the situation is more critical in Port Elizabeth, where people do not have a link with the hinterland and a minimal means of agricultural support.

He expects the number of jobless to rise more rapidly in Port Elizabeth because of its unsettled political nature. "And there is a likelihood of increasing unemployment following a boycott of shops outside black areas. There have already been lay-offs of

people in the area in the past few weeks."

Levine believes, along with others such as director of the Port Elizabeth Chamber of Commerce, Tony Gilson, that government projects are needed to rescue an afflicted area.

Gilson says the chamber is concerned about the situation. "We have short-term, labour-intensive projects at present, but in the long term the only solution is to raise the level of economic activity in the area.

"We fear that we could be looking at an absolute catastrophe if a solution cannot be found to our high unemployment rate. While we support the curtailing of government spending, it might be necessary to divert finances to the Port Elizabeth area to provide some real stimulation."

Gilson also charges that true negotiation between all parties is needed. The chamber planned to have talks with most sectors of the community, including the boycott committee, but the state of emergency has jeopardised some of these plans. He says the chamber believes offi-

cial unemployment figures for the area are "grossly understated". Most of the jobless do not register because they don't qualify for unemployment benefits. However, a spokesman for the Department of Manpower confirms that Port Elizabeth's official unemployment figure has doubled since last year.

Professor Roux van der Merwe, of UPE's Industrial Relations Unit, also describes the unemployment situation as catastrophic. Earlier this year his institute put unemployment at between 25% and 30% in the Port Elizabeth metropolitan area. "However, we believe it may be closer to 56% now," he says.

Research by the unit revealed large-scale lay-offs — mostly at Ford SA — last year and there were more widespread lay-offs in Port Elizabeth and Uitenhage this year.

The unit's research sample in 1984 covered 28 large companies in the area and revealed that 1 387 workers had been laid off in the first six months. Another 1 525 were laid off in the second six months. This represented a 6.2% drop in overall employment at the 28 companies.

This year the sample incorporated 32 companies where a further 806 workers were laid off in the first six months from a combined workforce of 25 136. A further 700 workers left for other reasons and were not replaced.

Van der Merwe believes the shops boycott is also having a deleterious effect on the smaller businesses.

"When the emergency was declared the whole boycott committee either fled or disappeared and there is no one for the Chamber of Commerce to talk to. Unemployment is running at an all-time high, but its no good talking about economic issues until the political situation has been addressed."

CSO: 3400/996

SOUTH AFRICA

DR RUPERT WARNS OF UNEMPLOYMENT DANGER

Johannesburg THE CITIZEN in English 30 Aug 85 p 25

[Text]

STELLENBOSCH. — Unemployment was the main cause of South Africa's ills and ending it demanded urgent attention, Dr Anton Rupert, chairman of the Rembrandt Group said at the company's annual meeting in Stellenbosch yesterday.

He said South Africa was in the vanguard of an unemployment crisis which Europe would also eventually have to face.

Statistics put out by the Department of Manpower showed a 100 percent increase in unemployment in South Africa within a year. In the first seven months of this year South Africa lost job op-

portunities at a rate of 8 000 a month.

According to official estimates about 750 000 economically active people were now unemployed. Unofficial estimates put this figure much higher.

"What is especially disturbing is that there has been no net rise in Black employment in the past nine years; yet about a quarter of a million Blacks are entering the labour market annually — without hope of finding jobs.

"Breaking South Africa free of this cycle of chronic unemployment will take a special effort — a unique challenge which now demands our urgent attention.

"Creating employment should be a primary objective, not merely a by product of economic growth."

South Africa formed a microcosm of a worldwide problem. In the Third World sector of the economy, underdevelopment lived side by side with the negative aspect of over development in the First World centre.

The White economy was being stifled by excessively high building standards, cumbersome licensing procedures, elaborate transport regulations, inflexible industrial control and unrealistic minimum wage determination.

South Africa's serious housing shortage presented it with a unique opportunity for economic development. The housing backlog gave the country an exceptional opportunity to create jobs to harness "sweat equity" and to stimulate economic activity.

Dr Rupert said that in the process of negotiation now engaging leaders in virtually every field in South Africa, practices of the past may readily be weighed and found wanting.

"Mistakes there certainly were. We have to learn from those mistakes and join forces to build a new South Africa.

"In South Africa we are, economically speaking, interdependent. Together we form a delicately balanced economic unit. In the long run no one can prosper unless his neighbour does so too."

— Sapa.

CSO: 3400/1030

SOUTH AFRICA

EASING OF HIRE PURCHASE CONDITIONS ANNOUNCED

Johannesburg THE CITIZEN in English 30 Aug 85 pp 1, 2

{Article by Keith Abendroth}

[Text]

THE Minister of Trade and Industry, Dr Dawie de Villiers, last night announced the easing of hire purchase agreement conditions.

From today a flat deposit of only 10 percent will be required for a wide range of consumer goods — excluding motor vehicles. The maximum repayment period will be 24 months.

Dr De Villiers said in Pretoria that the new conditions of sale were among measures which, he hoped, would pave the way for an upswing in the economy.

At the same time, however, he warned consumers not to go on a buying spree and carefully consider buying decisions.

The new conditions will be gazetted today.

In some cases the reduced deposit represents an easing in conditions of up to 50 percent.

At present, minimum deposits of 15 percent and 24 months repayment period's are required for household furniture, garden furniture, mattresses, carpets and rugs.

Existing deposits of 15 percent and 18 months to

pay apply to electrical and non-electrical appliances for domestic use, including radios, sound recorders and reproducers, record players, tape and wire decks, loudspeakers and other similar equipment, as well as camping equipment, excluding caravans.

The new conditions will see the disappearance particularly of strict conditions on the sale of jewellery (25 percent and 12 months); and of 30 percent and 12 months on video cassette recorders and players, video tapes and electronic television games.

Photographic equipment, including microfilm equipment and lithographic process cameras, is to get relief from the present 25 percent deposit and 12 months repayment period, while the 15 percent and 20 months on television receivers and accessories — but excluding closed circuit television equipment — and TV aerial systems — has been done away with. Communal television aerial systems are not included.

Dr De Villiers said that the uniform conditions would relieve traders' ad-

ministrative burdens and eliminate confusion among consumers — "for example, traders will have to fill in one document even if more than one product were to be involved in a credit transaction," he said.

Of the economic background, indications were that the strict economic measures of the last quarter of 1984 had had the desired effect.

The excess demand for goods and services had now been completely eliminated from the economy.

From the second quarter of 1984 until the end of the second quarter of this year private consumption expenditure had declined by 7 percent in real terms and spending on durable consumer goods in particular had shown a marked decline.

Dr De Villiers listed a number of factors which he said had made the step possible.

The steps would contribute, he said, to the elimination of "the depressing mood in the domestic economy and pave the way for an upturn."

The slowdown in domestic demand had not

taken place without sacrifice and pain.

Factors taken into consideration included the improvement in the current account of the balance of payments, from deficits of R2.5-billion in the first quarter of 1984 to a surplus of R5.4-billion in the second quarter of this year.

But, said Dr De Villiers, if consumers were to interpret the relaxation of economic control measures as an encouragement to increase their consumption expenditure in an inflationary way, the current growth potential of the economy would be influenced negatively.

"At this stage South Africa cannot afford such a reaction. Any revival in inflationary pressure from the demand side of the economy must be avoided at all costs.

"South Africa can only bargain on an early recovery if the favourable balance on the current account of the balance of payments was to continue for the rest of the year without any excessive consumer spending, which would accelerate the value and volume of imports," he said.

SOUTH AFRICA

BUSINESS EXPERTS WARN OF INCREASING PROBLEMS

Johannesburg THE SUNDAY STAR in English 18 Aug 85 p 2

[Article by Mike Peirson]

[Text]

THE level of business casualties is at an all-time high, and there is little chance of a silver lining lightening this sombre economic cloud in the near future.

"The usual trend is that the number of companies going under peaks in the wake of a recession rather than during the coldest hour," Mike Greenham of business specialists Richard Bosworth Associates told me this week.

"Therefore, extreme caution must be exercised in the months ahead when taking a realistic look at bad debt potential."

He explained that in June, 508 insolvency judgments

were given in the Durban Magistrates' Court compared with a monthly average for last year of 250 and for the first part of this year of 375.

The economy is not out of the woods and the chances of the liquidation numbers dropping overnight are very remote. Therefore, many companies still need to analyse more thoroughly just why so many liquidations (something like 25 a day countrywide) have happened.

"Major reasons include a drop in retail sales, cash-flow problems, high interest rates and the exchange rate," said Mr Greenham.

"This year will probably

show a decline in retail sales of around 2.5 percent in real terms compared with last year."

However, he explained, tremendous changes had applied to individual categories of merchandise — the worst-affected being television sets and household furniture.

On the cash-flow aspect, David Rennie, general manager of Syfrets insolvency division, said: "If managers kept a tight rein on their cash flows and knew their monthly profit or loss positions, they could try to rectify a loss situation before the creditors demand payment of overdue bills.

"Chances are that, had they had sufficient warning and consulted the right people, these managers would have been able to turn their businesses around and avoid the liquidator's padlock."

Mr Rennie added, however, that there was no guarantee and even competent and thinking managers could lose their businesses. No executive could afford to be lax about decisions and actions.

He said his department was handling twice the volume of liquidations it did last year and there was no sign of this flow abating. He did not expect to see a drop for at least six months.

SOUTH AFRICA

BUSINESS HAILS PROMISE TO CUT RED TAPE

Johannesburg BUSINESS DAY in English 19 Aug 85 p 3

[Article by Gerald Reilly]

[Text]

BUSINESSMEN throughout the country have welcomed government's strong commitment to wiping out bureaucratic red tape and obstructive, outmoded regulations.

Deputy Minister of Finance and Trade and Industry, Kent Durr, told the annual meeting of the SA Institute for Public Administration, in Pretoria, that the President's Council was making a crash investigation into all regulations, standards, licensing requirements and administrative delays that hampered economic development and in particular, small business development.

The investigation will be completed by the end of September.

Durr said last week that government could not stand idly by while the creation of urgently-needed jobs was smothered by red tape and outmoded regulations.

"We now have the opportunity of simplifying the business environment and reducing costs of private and government administration."

On privatisation Durr said: "We should be fearless in looking for suitable candidates for privatisation at all levels

of government and in all fields of public enterprise.

"The private sector preeminently created wealth and raised living standards."

However, he said, government would not act irresponsibly.

"Neither should we run away with the idea that everything done by the government can or should be privatised. Privatisation is no panacea."

"The processes of privatisation and user-cost charging would, in themselves, go far to free the fiscus from some demands that had found their way there. This would release funds that could be diverted to vital socio-economic fields."

"Going further, we can kill two birds with one stone by means of widespread deregulation and I believe this to be the most urgent priority at this time."

Durr referred particularly to those which hampered job-creation in the informal sector or those that pushed up the costs of running business or government.

CSO: 3400/996

SOUTH AFRICA

JSE RESEARCHERS ASSESS MINE LABOR POSITION

Johannesburg SUNDAY TIMES (Business) in English 18 Aug 85 p 2

[Text]

RESEARCHERS at one of the Johannesburg Stock Exchange's major broking firms, Mathison & Hollidge, have taken a look at mine labour.

Their report — Labour trends in the South African mining industry — pulls few punches in assessing the position of the mining houses and the National Union of Mineworkers (NUM). It even becomes involved in such contentious details as how fair was the NUM strike ballot.

Good and bad

The report's conclusions are a mixture of good and bad news.

First the good news. "We do not believe that 1985 will be a watershed year. We do not envisage that a massive strike actually will be called, however close this may appear to be ... The watershed will come, in our view, in 1987 or soon thereafter."

The bad news from researchers David Gleason, Pat Geoghegan and Hilton Ashton is that the rest of 1985 is expected to be punctuated by lightning stoppages, by the adoption of work-to-rule procedures, by the stratagem of half-shifts and by a marked increase in complaints both of racial preju-

dice and of unfair work practices.

"Gone forever are those good old days when investors knew with a fine degree of certainty that the things they needed to judge in terms of a risk on a gold mine were technical factors — water, pressure bursts, fires, plant reliability.

"To those must now be added the tiresome human dimension. Labour may be withdrawn or it may work to rule or work half-shifts only. It may make unreasonable pay demands or take action in any one of a myriad ways, the end result of which will be to increase costs and decrease profitability."

The researchers believe it is the threat of a strike which carries the greatest impact and not the strike itself.

That opinion provides one plausible reason for NUM general secretary Cyril Ramaphosa's action in twice delaying a strike — after the ballot of his members until last week's congress and then again until August 25.

Stockpiles

The NUM says the time is needed to prepare for the strikes. But the delay also gives mine managements time to prepare their strategy and build up ore stockpiles so that gold treatment plants can be kept working even if

underground production is stopped.

The researchers say that if a strike is called, mine management is given the option of retaliating by firing strikers. In a situation where both sides play their hands out to the last, there is no real winner.

The worker loses his job and the company loses profits.

The loss of profits can be severe as the researchers show by using Vaal Reefs as an example. There was a strike there on April 26 and 14 000 workers were dismissed.

Vaal Reefs South Division normally produces 9.3 tons of gold a quarter. In the June quarter production was reported as 6.3 tons.

Flexibility

The researchers believe production could have been as low as five tons with the 1.3 ton balance made up from gold held in reserve.

The whole Vaal Reefs complex is helping the South Division by stopping all development and concentrating on stope production. Development will be resumed next year. This will be possible because the mine has some flexibility built into previously developed ore reserves.

The researchers estimate Southvaal's total dividend for 1985 could drop to 50c compared with 55c at normal

production levels. Vaal Reefs' dividends could fall to 175c from 178c because of the effects of the strike.

The researchers' bottom-line conclusion is that there will be no major confrontation this year because NUM is not yet strong enough to win one.

Change on way

That is going to change.

"One thing is certain: union strength will continue to grow and the rate at which it acquires new members will be an exponential phenomenon — it will not be a gradual process.

"It is certainly possible to foresee that by 1987 perhaps all blacks on the gold mines will be organised into unions and most of those in the coal industry too.

"Which of the various unions will be predominant is not too difficult to predict: the NUM is easily the best equipped and most professional while it also has access to excellent advice and to assistance from international trade-union organisations."

When the NUM believes it is strong enough, it will move against the Chamber of Mines as a whole or pick on what it may see as a softer target among the individual mining houses, say the researchers.

CSO: 3400/996

SOUTH AFRICA

PROPERTY RESALE PRICES EXAMINED

Johannesburg BUSINESS DAY in English 21 Aug 85 p 10

[Article by Alison Goldberg]

[Text]

PUTTING paid to the belief that buying a house in the mink-and-manure belt will ensure better resale values, the Perm Building Society says that, in real terms, southern suburb house price falls have been less severe than in northern suburbs.

The Perm had recorded declines of only 10% to 15% in the south as opposed to an average 20% recorded in the north over the previous year. This is in line with UBS findings of greater falls in the West Rand, where house prices are normally higher than East Rand ones.

Taking an inflation rate of 15% into account, UBS' nominal changes in the East and West Rand work out at -16% and -22% respectively in real terms. Prices of upper-income homes, regardless of population group, have shown similar instability countrywide.

NBS assistant GM loans Trevor Olivier says in one of their Durban branches which deals primarily with the Indian population group prices above R150 000 have been fluctuating — but volumes are there.

In the R85 000 and above bracket, there is no visible drop, prices are stable and volumes reasonable. Demand for homes of R85 000 and below, he says, is tremendous. Again, prices are stable but volumes are good.

Olivier says in their Pinetown and

Durban Central branches experience had shown that replacement cost had risen by roughly 7% in the last six months. Prices for homes in these areas over R150 000 were down slightly.

A couple of months ago there was a large drop in houses priced over R100 000, but then the market recovered. Therefore, though volumes are down, there is now a definite improvement. And in the R100 000 and below bracket, prices have shown to be stable but volumes of sales are down.

In the black and Indian markets around the country the Perm found that there has been continued high demand for housing and no price reductions.

In Durban and Johannesburg, it found prices under R70 000 had remained relatively stable, but between R70 000 and R100 000 there were price fluctuations.

Both the Allied and the Eastern Province Building Society report continued demand for housing bonds despite the recession.

Allied's Geoff Bowker said during each of the past three months the Allied has lent more than it did during any one month last year.

For the Eastern Cape, UBS's nomi-

nal figures reflected in real terms an annual fall of 19%.

Confirming UBS figures, EPBS loans and property manager Ron Cleland says the fall in prices was beginning to manifest itself late last year and by January had already shown a 15% fall.

To varying degrees, he said, East London and the rest of the Eastern Cape have not been as adversely affected as the greater PE area. The EPBS in PE, he said, was lucky, however, and unlike other societies was not having to recall loans.

"Six months ago, one in every three Friday editions of the local newspaper carried a sale in execution but the situation has changed dramatically. Now sales in execution appear every Friday."

Another indicator of the PE market Cleland points to is the oversupply in the flat rental market, which will be further exacerbated by new developments coming on stream in the near future.

"But I don't expect a further drop in house prices, and we have a good slice of the market. Ford's move from PE obviously put a lot more properties on the market. The reason for price falls is not because of the political situation but the poor economy."

Both Cleland and PE's largest estate agency, Hancock Residential Sales, discounted rumours of fleeing home-owners due to local unrest.

SOUTH AFRICA

BARCLAYS SLASHES HOME LOAN RATES

Johannesburg BUSINESS DAY in English 21 Aug 85 pp 1, 3

[Article by Lesley Lambert]

[Text]

RELIEF is at last in sight for bondholders. Barclays will cut its home loan rates by up to two percentage points at the end of September and building societies are expected to lower their rates in October.

This follows yesterday's announcement that the prime overdraft rate will drop to 19.5% as a result of the Reserve Bank's measures to encourage greater confidence in the economy.

The bank will adjust its home loan rates for new business by two percentage points and for loans over R40 000 by one percentage point to 21.5% from September 23 — bringing them in line with its present rate for loans under R40 000.

Other banks, including Standard, are reviewing home loan rates.

Barclays' senior GM Jimmy McKennie said he did not expect this to generate new home loan business for the bank.

"We are reducing our rates because we believe it is time to give relief to our clients," he said.

The move by Barclays is expected to lead to a drop in mortgage rates by building societies.

Society chiefs have told *Business Day* that although their bond rates will not be immediately affected by the Reserve Bank's action, they could be expected to fall between one to two percentage points by about mid-October.

Most building society bond rates for the R80 000 plus category are presently pitched at 21.5% (see table) for new and existing bonds, while rates for smaller categories range between 18.25% and 20%.

Rates for bank mortgage loans are higher. In the R40 000 category they range between 21.5% and 24% for exist-

ing loans, while rates for new loans in all categories range between 21% and 24%.

Unlike the banks, building societies respond more slowly to market conditions because a large percentage of their book consists of long-term fixed deposits.

Though their average cost of funding has fallen in line with the interrupted downward trend in interest rates, most societies have been reluctant until now to commit themselves to a date for a cut in mortgage rates.

According to UBS MD Piet Badenhorst, rates can be expected to ease in two months.

"We will monitor interest rates for the next two weeks to see which way they are tending. If they continue to move downwards we will begin to inform our borrowers of reductions."

SA Perm MD Bob Tucker is optimistic of a one- or two-percentage-point reduction in bond rates in about two months. The Perm normally reduces its rates for various categories at the same time.

Tucker believes the drop in prime will probably trigger the downward trend in fixed deposit rates which hardened slightly a few weeks ago.

A reduction of about one percentage point for Allied bonds over R80 000 is expected in October, according to deputy MD Alan Tindall.

However, the downward movement may not immediately permeate to smaller bonds.

"We would like to abolish differential rates for various categories to enable people to borrow bigger amounts more cheaply."

"The drop in prime will hasten the flow of cheaper money into the building society mix of funds."

Fixed deposits take up between 30% and 35% of each societies' book and shares take up a further 25%. If rates for these categories fall, bond rates will follow."

• NBS GM Brian Short said while it is possible that some societies may reduce rates for new bonds within four weeks, relief for existing bondholders will probably take between six and eight weeks to filter through. NBS will reduce rates by no more than one percentage point, initially, he said.

Latest figures from Pretoria show that demand for some building society bonds has picked up since May, despite a huge decrease in the number of bonds issued during the first four months of the year.

The increase comes on the heels of a dismal first quarter. Bonds issued for house construction decreased by 1 631 to 2 024 during the January-April period compared with the first four months of last year. The amount involved fell by R74,074m to R100,782m.

Bonds issued for the purchase of existing houses, and dwelling units under sectional title, also fell sharply from 17 472 last year to 11 426. Amounts involved declined from R762,114m to R535,644m.

CSO: 3400/996

SOUTH AFRICA

SIEMENS' COMPETITORS PROTEST USE OF SABS MARK

Johannesburg SUNDAY TIMES (Business) in English 18 Aug 85 p 28

[Article by Don Robertson]

[Text]

SIEMENS, one of the largest electronics groups in South Africa, has been using the SA Bureau of Standards mark on its circuit breakers without authorisation for the past 10 months.

Rival manufacturers claim they have lost business to Siemens as a result.

Ignorance

Siemens was told last October that it was not permitted to use the SABS mark on its moulded-case circuit breakers (Mccbs). But in advertising material and in brochures, Siemens indicates that more than 400 products in the range carry the mark.

Some of its products carrying the SABS mark are still available at electrical outlets.

Ian Grant, director of electrical engineering at the bureau says: "The only manufacturers which have permits to use the SABS mark for SABS 156 are Fuchs Electrical Industries, Heinemann Electrical SA, African Electric and Merlin Gerin SA."

Billy Batten, divisional manager for standard products at Siemens, says that up to a year before the product was launched in June 1984, SA-made products in the 1.5kA and 5kA range were

submitted to the SABS for permission to use the mark.

"In our ignorance and enthusiasm, we allowed them to be produced with the SABS mark.

"We were verbally informed by the SABS last August that we were not allowed to use the mark."

Apology

Siemens apologised to the SABS, saying the error was caused through a misunderstanding by staff.

When Siemens was told officially last October that it was using the mark without authorisation, it gave an instruction that the mark be removed from production runs.

However, the company has not ensured that products which were distributed earlier to retailers and wholesalers were removed from shelves.

In June this year, the technical publication, Vector, carried a brochure in which the products were shown with the SABS mark. Another brochure, also published in June, contains pictures of the circuit breakers with the SABS mark.

Mr Batten says the inserts were part of an old batch of brochures which were inadvertently published in the magazine. The brochures, printed in Germany, mistakenly contained pictures of the circuit breakers with the mark "because of a lack of

communication between ourselves and the German parent".

Quality

Mr Batten says, however, that the Mccbs do have the SABS approval in terms of the code of practice for wiring. SABS approval means the product complies with certain technical specifications, and the SABS mark ensures quality control.

Mr Batten concedes that Siemens is not entitled to use the mark. "From our earlier discussions with the SABS, we did not think that we would have a problem and we went ahead and manufactured the breakers with the SABS mark."

Competitors say many public tenders call for SABS-mark products and adjudicators could be misled into believing that Mccbs from Siemens qualified.

The Johannesburg Municipality stipulates that if a supplier cannot deliver a product with the SABS mark, it may source the appropriate replacement product with the SABS mark from another supplier and charge all expenses to the disqualified supplier.

The Department of Manpower is supposed to ensure that all premises are wired to the SABS 0142 code of practice, which calls for the use of SABS-marked circuit breakers.

SOUTH AFRICA

INDUSTRIAL COURT RULING ON STAYAWAYS SETS PRECEDENT

Johannesburg THE STAR in English 21 Aug 85 p 21

[Article by Sheryl Raine]

[Text] Employers who have up until now regarded worker stayaways as politically-inspired events beyond their usual working relationship with their employees may have to rethink their position following a recent Industrial Court ruling. Sheryl Raine reports on the court's opinion concerning these dismissals.

The Industrial Court has handed down a significant ruling and clearly set down its opinion concerning the dismissal of employees during worker stayaways.

In his recent ruling on a case involving the SA Laundry, Dry Cleaning, Dyeing and Allied Workers' Union and Stork Napkins, Mr M A E Bulbulia ordered the reinstatement of 11 workers who were dismissed on November 6 last year.

His ruling is of widespread interest to workers as well as employers, who face the dilemma of whether or not to take disciplinary action against those who fail to report for work during stayaways and whose workers are subjected to intimidation.

Mr Bulbulia supported the union's argument that an employer could not take a myopic view of his relationship with employees.

He dismissed Stork's view that political stayaway action and intimidation by other per-

sons were irrelevant to the contractual relationship between employee and employer — and to an employee's duty to obey instructions.

The Stork workers, all women with children, ignored the two-day stayaway call arranged for November 5 and 6 last year and reported for work on November 5.

On that day in Soweto, between 40 and 60 percent of the workforce stayed away.

The union said workers who reported for work endangered their lives.

Stork and the union agreed that threats, intimidation and violence were present in the stayaway and that workers were afraid of violence.

Some workers feared their houses would be burned down if it became known they had gone to work.

During the course of November 5, shop stewards asked management to allow workers to go home at 2 pm. Management said 2 pm was too

early and that workers could go home at 3.30 pm. Stork also offered workers blankets and bread if they wished to sleep at the company's premises.

Workers said they would still have to catch a 4.30 pm train if they left at 3.30 pm. Twenty-three workers left without permission at 2 pm.

Stork had informed workers on Friday November 2 that anyone who did not report for work on November 3 and 6 without a valid excuse would be dismissed.

However, seven workers who did not report for work on November 5 and 6 were not dismissed.

The court found that employees who reported for work during the stayaway faced a "cruel dilemma".

Some stayed at home and ran the risk of being fired. Others came to work and performed their duties as usual. Others, less brave, came to work but left at 2 pm to "evade the wrath of those who had agitated in favour of the stayaway call".

"Witness Miss Patience Mondi summed up the attitude of this last group of employees when she said that although she was aware her employer would not be happy at her leaving at 2 pm, she valued her life more than her employer's happiness," Mr Bulbulia said.

He found employees who reported for work ended up being "dramatically worse off than all those who had not reported at all".

He ruled that Stork's neglect, failure and or refusal to hold a proper inquiry prior to the dismissal of the employees as well as the discrepant manner in which the company treated workers who left early and those who did not report for work at all, constituted unfair labour practices.

He ordered the dismissed workers be reinstated. He also said seven of the 11 must be reinstated retrospectively to February 1 and that they be paid the remuneration due to them for normal hours of work had their employment not been terminated.

SOUTH AFRICA

DE KOCK ANNOUNCES REVERSE BANK RATE

Johannesburg BUSINESS DAY in English 20 Aug 85 p 9

[Text]

WITH THE approval of the government, the Reserve Bank has decided to implement — with immediate effect — the recommendations of the Commission of Inquiry into the Monetary System and Monetary Policy relating to the future role of discount policy and Bank rate in South Africa.

Basically, this means two things:

- Firstly, the Reserve Bank will make increased and more clearly defined use of its discount policy as a means of influencing the money supply, interest rates and total spending — as an integral part of overall economic stabilisation policy.

This will be done in close co-ordination with the other main instruments of monetary policy, including public debt management and open-market operations.

- Secondly, the Reserve Bank will reintroduce the traditional "Bank rate" as its formal rate for rediscounting Treasury bills for the discount houses. This rate will be set and varied at the Bank's initiative within the official monetary policy framework.

The element of discretionary judgment involved in this procedure will be constrained by the need to meet any targets that might in future be set for money supply growth, as well as by the close interrelationship that exists between the money supply, interest rates and exchange rates.

With effect from Tuesday, August 20, 1985, the Reserve Bank will set its new formal Bank rate at 16%. This means, in effect, a reduction of 1.75 percentage points in the Bank's rediscount rate for Treasury bills for discount houses from its present level of 17.75%.

At the same time the Reserve Bank will reduce its rediscount rates for discount houses for Land Bank bills from 18.00% to 16.25%, and for liquid bankers' acceptances from 18.25% to 16.50%. Corresponding decreases will be effected in the Reserve Bank's rediscount rates for banks and in its interest rates on overnight loans to discount houses and banks.

It is anticipated that the Bank rate reduction will lead to a further decline in the prime overdraft rate of the commercial banks from its present level of 21% to between 19% and 20%. In due course, decreases in building society mortgage rates may also be expected.

The inducement for banks and their borrowing clients to use offshore credits will not be diminished, as the Reserve Bank will make appropriate adjustments to the margins it quotes on forward exchange.

In taking this step the Reserve Bank was influenced by the following considerations:

- It is now abundantly clear that the restrictive monetary policy applied since August 1984 and the fiscal measures introduced in the March 1985 Budget have fully achieved their initial objective of curbing total private and public

sector spending — i.e., the money supply multiplied by its velocity of circulation.

Real gross domestic expenditure has now declined for five consecutive quarters. During the second quarter of 1985 it reached a level 9% below that of the second quarter of 1984. Marked declines occurred over this period in all the main components of real expenditure, particularly in spending on durable consumer goods.

In addition, the annualised rates of growth of the money supply aggregates slowed down during the first half of 1985 to 7.2% in the case of M1, 10.8% in the case of M2 and 12.7% in the case of M3.

Together with the latest statistical information on output, employment, sales and imports, these expenditure and money supply figures clearly show that excess demand or overspending has now been eliminated from the economy. Indeed, the real growth rate is at present negative and the lower turning point of the business cycle has probably not yet been reached.

As predicted, the rate of inflation has accelerated thus far in 1985, mainly owing to the delayed effects of the depreciation of the rand since September 1983, the related increases in administered prices and the increase from 10% to 12% in the general sales tax announced in the March Budget. As these effects peter out, however, the rate of inflation should begin to decline.

● The second major objective of the existing monetary and fiscal strategy — namely, the transformation of the deficit in the balance of payments on current account into a surplus — has also been attained.

Taken at seasonally-adjusted annual rates, the current account changed from deficits of R2.5bn during the first quarter of 1984, R2.0bn during the second quarter and R2.1bn during the third quarter, to surpluses of R0.6bn during the fourth quarter of 1984, R4.3bn during the first quarter of 1985 and R5.4bn during the second quarter.

It now looks likely that the current account surplus for 1985 as a whole will be of the order of R5bn. This would be equal to about 4% of gross domestic product, which is large by any standard.

● Substantial repayments of short-term foreign loans and credits have been made by the banking sector and private companies since September 1984. This has contributed to a decline in South Africa's net short-term foreign liabilities of about R5bn during this period.

● The net official gold and foreign exchange reserves of the banking sector increased by R1.4bn during the second quarter of 1985.

● Since the introduction of the Budget in March 1985 the "mix" of fiscal and monetary policy has improved greatly. After seasonal adjustment there has been a

marked reduction in both the rate of increase of government spending and the "deficit before borrowing".

In addition, the government sector has made no net additional use of bank credit thus far in the present fiscal year. Indeed, after seasonal adjustment, the net claims of the banking sector on the government sector actually declined by R442m during the April-June quarter.

● In its open-market operations, the Reserve Bank has already sold a net amount of R2.3bn of "tap" government stock for the 1985/86 financial year, as well as special tax anticipation Treasury bills of R600m. Against this has to be set redemptions of government stock of R660m.

The various developments and circumstances outlined above more than justify a further moderate easing of monetary policy in the form of a reduction in interest rates.

The elimination of excess demand and the achievement of a large and sustainable surplus on the current account of the balance of payments have paved the way for a resumption of real economic growth.

Moreover, the increased effectiveness of fiscal policy since the introduction of the March Budget in itself creates additional scope for justifiable interest rate reductions.

This conclusion is not fundamentally changed by the present abnormal political conditions prevailing in South Africa, including the township unrest, the state of emergency proclaimed in certain magisterial

districts and the intensified threats of economic sanctions.

Undoubtedly, these political developments have adversely affected overseas perceptions of the prospects for the South African economy and have resulted in some withholding of foreign capital and bank credit.

T

his has been accompanied by a marked depreciation of the rand and a reversal of the downward movement shown by interest rates since March 1985. If the downward pressure on the rand had been associated with excessive money creation and overspending — as was the case during the first half of 1984 — the appropriate response of monetary policy would have been to allow interest rates to rise.

But in the present recessionary conditions the situation calls for monetary measures to prevent the recent political developments from bringing about an undue contraction of money and credit accompanied by rising interest rates.

Monetary stability must and will be maintained. But now that overspending has been eliminated, an unduly restrictive policy stance must be avoided. The rates of increase of money and credit must be kept low enough to avoid rekindling the fires of inflation or harming the balance of payments, but high enough to promote rising investment, output and employment.

CSO: 3400/996

SOUTH AFRICA

BIG 5 TO CUT PRIME RATES

Johannesburg BUSINESS DAY in English 21 Aug 85 p 1

[Article by John Tilston]

[Text]

THE big five banks will cut their prime lending rate to 19.5% from the current level of 21% early next month.

The banks announced the new rate separately yesterday in the wake of the 1.75% cut in the Reserve Bank's rediscount rate, now to be known as the Bank Rate.

The new rate will apply from September 2 for Standard, Barclays, Nedbank and Trust. Volkskas will cut its prime rate on September 9.

Both FCI and Assocom yesterday welcomed the move. FCI executive director Johan van Zyl said its significance lay not so much in the size of the interest rate cuts as in the continuing trend they represented.

Assocom economist Bill Lacey said the cuts were sensible in the economic and political circumstances. "The further reduction in interest rates will bring a measure of relief to businessmen already hard pressed by the recession and related factors."

Van Zyl said the rate cuts would be particularly beneficial to smaller businesses, most of which had concentrated on survival during the recession.

The short-term money market reacted swiftly to the new Bank Rate. In a market not short of funds — yesterday's market shortage was R86m — the bell-weather 90 liquid BA rate shed 110 points to be fixed at 18.50%. In later dealing it traded down to very close to 18%. Also, the overnight call rate was, in the words of one dealer, "encouraged downwards" to 15.25%, a drop of 2% from previous levels.

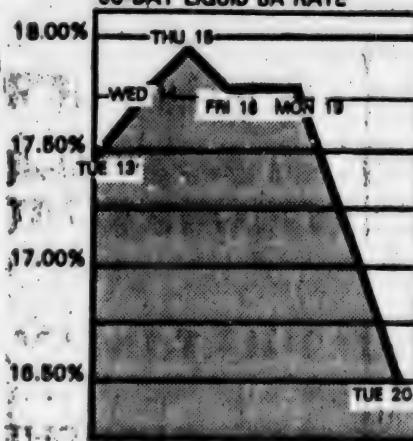
The decreasing shortage of funds in the market is the result of increasing flow of

export receipts, buoyed by a high rand price of gold. Dealers believe it is possible there will be no need for Reserve Bank accommodation tomorrow.

The end of August is traditionally a "tight" period when gold mines and provisional taxpayers have to find money for the Receiver of Revenue. But dealers are optimistic the market can handle what's in store, suggesting that rates may not hiccup upwards too much.

In line with the general easing in interest rates, hire purchase rates for new deals and those tied to prime will come down at the same time as prime, though only by 0.5% to 0.75%, according to Wesbank MD Peter Thompson. The mix of long and short-term funding of the general banks means instalment rate cuts are traditionally lower than cuts in prime.

**SHORT-TERM RATES RESPOND
90-DAY LIQUID BA RATE**



SOUTH AFRICA

APRIL-JULY EXCHEQUER ACCOUNT FIGURES GIVEN

Pretoria GOVERNMENT GAZETTE in English/Afrikaans 16 Aug 85 pp 16-18

[Text]

No. 1815

16 August 1985

Statement of Receipts into and Transfers from the Exchequer Account for the period 1 April 1985 to 31 July 1985.

Treasury, Pretoria.

No. 1815

16 Augustus 1985

Staat van Ontvangste in en Oordragte uit die Skatkisrekening vir die tydperk 1 April 1985 tot 31 Julie 1985.

Tesourie, Pretoria.

RECEIPTS-ONTVANGSTE

Head of Revenue	Inkomstehoof	Month of July		Total 1 April to 31 July	
		1985	1984	1985	1984
Exchequer Balance, 31 March 1985.....	Statkisaldo, 31 Maart 1985.....	R	R	R	R
Exchequer Balance, 30 June 1985.....	Statkisaldo, 30 Junie 1985.....	—	—	533 229 222	—
State Revenue Account	Staatinkomstehoof				
Inland Revenue.....	Binelandse Inkomste.....	Dr 2 603 441 457	Dr 1 651 217 579	7 907 535 774	5 514 985 252
Customs and Excise.....	Doane en Aksepte.....	72 449 769	21 361 238	313 532 103	412 990 072
		R 2 530 991 688	1 629 856 341	8 221 067 877	5 927 975 334
National Road Fund.....	Nationale Padfonds.....	—	12 667 032	3 101 131	37 283 301
State Oil Fund.....	Staatoliefonds.....	—	23 317 492	2 640 274	104 199 826
S. A. Development Trust Fund.....	S. A. Ontwikkelingsrustfonds.....	979 000	761 000	3 718 000	6 538 005
Sorghum Beer Research Fund.....	Fonds vir Sorghumbiermauvorung.....	1 107	—	1 107	—
S. W. A. Territorial Revenue Fund.....	S. W. A. Gebiedsinkomstefonds.....	—	—	150	2 040
		R 980 107	36 765 544	9 460 662	168 023 172
		R 2 531 971 795	1 666 621 883	8 230 528 539	6 085 998 496
Other Receipts	Ander Ontvangste				
Treasury Bills: Internal.....	Statkisbylynne: Binelandse.....	1 159 283 000	—	5 377 211 000	—
Internal Stock, Bonds and Loans Raised:	Binelandse Effekte, Obligasies en Lenings Opgeneem:				
Indefinite Period Treasury Bonds.....	Onderpaaide Termyn Tesourie-obligasies....	10 026 600	—	34 181 000	—
Indefinite Period National Defence Bonds.....	Onderpaaide Termyn Nasionale Verdedigingsobligasies	1 881 650	—	4 660 500	—
Internal Registered Stock:	Binelandse Geregistreerde Effekte.				
15.5%, 1990.....	15.5%, 1990.....	—	—	1 437 000 000	—
16%, 1986.....	16%, 1986.....	—	—	(88 475 000)*	—
15%, 1988.....	15%, 1988.....	—	—	500 000 000	—
14.5%, 2006.....	14.5%, 2006.....	—	—	(16 822 000)*	—
15%, 1994.....	15%, 1994.....	—	—	350 000 000	—
14%, 1992.....	14%, 1992.....	—	—	(27 800 000)*	—
14.5%, 1987.....	14.5%, 1987.....	—	—	185 000 000	—
14%, 1987.....	14%, 1987.....	—	—	(30 579 000)*	—
Foreign Loans and Credits raised:	Buitelandse Lenings en Kredite opgeneem:				
1978.....	1978.....	—	—	300 000 000	—
1985/91.....	1985/91.....	—	—	(17 209 000)*	—
1981/86.....	1981/86.....	—	—	500 000 000	—
Summands, Revenue Services 1984/85.....	Terugsomtings, Inkomstediensste 1984/85.....	159 426	—	74 266 617	—
		1 912 897	—	146 341 464	—
				6 247 212	—
				6 112 897	—

*Less Discount RSA Stocks	R	1 620 763 573 20 800 000	—	9 094 020 690 202 499 000	—
	R	1 599 963 573	—	8 891 521 690	
	R	4 131 935 368	—	17 122 050 229	—
Appropriation Account: House of Assembly					
Inland Revenue					
Transfer from State Revenue Account					
Appropriation Account: House of Representatives					
Inland Revenue					
Transfer from State Revenue Account					
Appropriation Account: House of Delegates					
Inland Revenue					
Transfer from State Revenue Account					
Total (including Opening Balance)	R	4 656 934 580	—	19 148 618 139	—

ISSUES—UITBETALINGS

Service	Dienste	Estimates Budgeting		Month of July Mense Julie		Total 1 April to 31 July Total 1 April tot 31 Julie	
		1985/86	1985	1984	1985	1984	
State Revenue Account		R	R	R	R	R	R
Votes							
1. State President	Staatpresident	10 908 000	875 000	965 416	3 300 000	3 441 664	
2. State Secretary Amount	Staatlike Bedrag	266 000	22 170	13 083	88 680	52 332	
3. Parliament	Parlement	19 736 000	1 755 000	849 000	6 357 000	3 705 000	
4. Transport	Staatlike Bedrag	12 036 000	1 000 000	547 000	3 992 000	2 190 000	
5. Constitutional Development and Planning	Staatlike Ontwikkeling en Beplanning	535 000	35 568 000	60 400 000	154 136 000	119 233 000	
6. Foreign Affairs	Staatlike Sake	1 177 616 000	90 000 000	40 050 000	1 872 152 000	1 364 561 000	
7. Home Affairs	Staatlike Bedrag	700 000	57 000	10 040 000	228 000	40 160 000	
8. Commission for Administration	Staatlike Sake	46 174 000	3 502 700	105 911 768	15 446 100	443 947 851	
9. Improvement of Conditions of Service	Kommissie vir Administrasie	63 702 000	15 371 000	882 000	53 331 000	31 038 000	
10. National Education	Verbeetering van Dienstvervoerders	235 000 000	3 261 720	—	3 261 720	—	
11. Police	Nasionale Onderwysing	107 336 000	6 500 000	95 700 000	33 384 000	420 400 000	
12. Public Works and Land Affairs	Politie	954 709 000	79 500 000	61 000 000	361 000 000	282 300 000	
13. National Health and Population Development	Operante Werts en Grootsaak	1 119 001 000	98 000 000	98 000 000	340 000 000	327 000 000	
14. Administration: House of Assembly	Nasionale Gesondheid en Bevolkingsontwikkeling	1 336 416 000	148 730 000	162 000 000	472 730 000	385 000 000	
15. Administration: House of Assembly	Staatlike Bedrag	302 000	17 000	14 600	68 000	38 400	
16. Co-operation and Development	Administrasie: Volksraad	387 849 000	—	—	—	—	
17. Education and Training	Administrasie: Volksraad	1 925 932 000	284 167 000	—	918 221 000	—	
18. Environment	Samewerking en Ontwikkeling	2 159 657 000	208 333 000	102 000 000	641 926 800	387 000 000	
19. Finance	Staatlike Bedrag	276 831 000	23 070 000	18 000 000	92 280 000	133 000 000	
20. Health	Onderwys en Opleiding	917 486 000	75 000 000	60 000 000	281 000 000	249 000 000	
21. Home Affairs	Weermag	4 274 108 000	338 600 000	312 000 000	1 536 000 000	1 358 300 (XX)	
22. Improvement of Conditions of Service	Mannetjag	127 973 000	8 000 000	3 500 000	31 400 000	27 807 000	
23. Justice	Handel en Nywerheid	954 137 000	60 000 000	42 000 000	280 000 000	238 760 000	
24. Local Government	Justisie	177 075 000	14 000 000	11 000 000	56 500 000	43 500 000	
25. National Health and Population Development	Staatlike Bedrag	9 379 000	780 000	750 000	3 060 000	3 923 000	
26. Police	Gevangenes	358 798 000	27 328 000	27 366 000	132 114 000	125 345 000	
27. Public Works and Land Affairs	Landbou-economie en -markering	578 959 000	154 000 000	87 700 000	300 000 000	267 700 000	
28. Water Affairs	Waterweie	248 030 000	23 500 000	—	83 200 000	—	
29. Minerals and Energy Affairs	Mineral- en Energie sake	627 533 000	49 000 000	4 000 000	258 933 000	140 500 000	
30. Finance	Finansie	993 162 000	81 750 000	85 000 000	304 750 000	277 000 000	
31. Audit	Staatlike Bedrag	5 093 577 000	354 525 000	242 583 000	1 841 891 000	1 487 413 000	
32. Environment Affairs	Oudit	(161 000 000)*	(20 800 000)*	(25 714 000)*	(202 499 000)*	(213 519 000)*	
33. Administration: House of Representatives	Omgewingsake	11 986 000	999 000	878 000	3 996 000	3 680 000	
34. Administration: House of Delegates	Administrasie: Raad van Verteenwoordigers	122 928 000	9 700 000	32 700 000	42 000 000	131 100 000	
35. Administration: House of Delegates	Administrasie: Raad van Afgevaardigdes	261 770 000	—	—	—	—	
36. Administration: House of Delegates	Administrasie: Raad van Afgevaardigdes	1 070 107 000	100 000 000	—	400 000 000	—	
37. Administration: House of Delegates	Administrasie: Raad van Afgevaardigdes	109 029 000	—	—	—	—	
38. Administration: House of Delegates	Administrasie: Raad van Afgevaardigdes	452 164 000	42 700 000	—	173 300 000	—	
*Less Discount R.S.A. Stocks	R	32 074 981 000 615 000 000	2 796 669 390 20 800 000	2 037 586 867 25 714 000	11 076 046 300 202 499 000	8 837 313 247 215 519 000	
*Min Diskonto R.S.A. Effekte	R	31 439 981 000	2 775 869 390	2 011 872 867	10 873 347 300	8 841 796 247	
Standing Appropriations							
National Road Fund	Staatlike Towysings	—	—	2 687 052	3 101 131	47 283 301	
State Oil Fund	Staatoliefonds	—	—	21 317 492	2 640 274	104 199 826	
S.A. Development Trust Fund	S.A. Ontwikkelingsfonds	20 300 000	979 000	761 000	3 718 000	6 538 005	
Sorghum Beer Research Fund	Fonds vir Sorghumbiernavorsing	1 801 000	1 107	—	1 107	—	
S.W.A. Territorial Revenue Fund	S.W.A. Gebiedsinkomstefonds	1 000	—	—	150	2 040	
	R	22 301 000	980 107	26 763 544	9 460 662	158 023 172	
	R	31 482 282 000	2 776 849 697	2 038 638 411	10 883 007 962	8 799 819 419	

Other Issues	Ander Uitbetalings			
Treasury Bills repaid: Internal.....	1 229 026 000	—	5 695 112 000	—
Tax Redemption Certificates repaid.....	21	—	21	—
Loan Levy repaid.....	1 031 198	—	4 457 481	—
Currency Subscription, I.B.R.D.....	—	—	14 876 784	—
Currency Subscription, I.D.A.....	—	—	83 000	—
I.M.F.: Valuation Adjustment.....	—	—	1 294	—
Internal Stock, Bonds and Loans Redeemed:				
8% National Defence Bonds.....	50 200	—	964 250	—
7% Treasury Bonds.....	145 200	—	1 674 000	—
Second Series 8% Treasury Bonds.....	227 000	—	1 045 500	—
Indefinite Period Treasury Bonds.....	1 418 100	—	17 128 100	—
Indefinite Period National Defence Bonds.....	1 002 550	—	3 863 300	—
Defence Bonus Bonds.....	—	—	84 517 315	—
Internal Registered Stock:				
9.75%, 2001.....	222 000	—	222 000	—
11.5%, 2001.....	127 000	—	127 000	—
10.35%, 2001.....	1 023 000	—	1 023 000	—
9.8%, 2001.....	1 874 250	—	1 874 250	—
9.25%, 2002.....	1 764 800	—	1 764 800	—
9.25%, 2004.....	3 358 950	—	3 358 950	—
9.0%, 2004.....	934 000	—	934 000	—
9.375%, 2004.....	1 356 500	—	1 356 500	—
15%, 1985.....	—	—	500 000 000	—
5.5%, 1985.....	—	—	45 707 408	—
10.5%, 1992.....	337 000	—	337 000	—
10%, 1996.....	112 500	—	112 500	—
11%, 1997.....	1 361 120	—	1 361 120	—
11%, 1998.....	1 412 050	—	1 412 050	—
10.75%, 1999.....	556 500	—	556 500	—
10.25%, 2000.....	324 660	—	324 660	—
10.625%, 2000.....	571 000	—	571 000	—
10%, 2000.....	739 000	—	739 000	—
10.5%, 2000.....	663 200	—	663 200	—
Foreign Loans and Credits Redeemed:				
1978.....	—	—	66 555 740	—
1983/87.....	—	—	23 540 889	—
1981/86.....	—	—	6 491 720	—
1976.....	—	—	33 252 875	—
1984/87.....	—	—	54 913 936	—
1985.....	26 793 456	—	26 793 456	—
Issues, Revenue Services 1984/85.....	—	—	1 583 000	—
	R			
Total State Revenue Account.....	1 278 431 255	—	6 599 302 549	—
Appropriation Account: House of Assembly.....	4 055 280 952	—	17 482 310 511	—
Appropriation Account: House of Representatives.....				
Appropriation Account: House of Delegates.....				
	R			
Totals.....	284 167 000	—	918 221 000	—
Exchequer Balance, 31 July 1985.....	100 000 000	—	400 000 000	—
Totals.....	42 700 000	—	173 300 000	—
	R			
Totale.....	426 867 000	—	1 491 531 000	—
Skatkisaldo, 31 Julie 1985.....	4 482 147 952	—	18 973 831 511	—
Totale.....	174 786 628	—	174 786 628	—
	R			
	4 656 934 580	—	19 148 618 139	—

SOUTH AFRICA

JANUARY-JUNE TRADE STATISTICS RELEASED

Pretoria GOVERNMENT GAZETTE in English/Afrikaans 9 Aug 85 pp 50-51

[Text]

NOTICE 488 OF 1985—KENNISGEWING 488 VAN 1985

P.5.01

PRELIMINARY STATEMENT OF TRADE STATISTICS OF THE REPUBLIC OF SOUTH AFRICA RELEASED BY THE COMMISSIONER FOR
CUSTOMS AND EXCISE
VOORLOPIGE OPGawe VAN HANDELSTATISTIEK VAN DIE REPUBLIEK VAN SUID-AFRIKA VRYGESTEL DEUR DIE KOMMISSARIS
VAN DOEANE EN AKSYNS

Remark.—The import and export figures reflected in this statement have been adjusted largely to bring them into line with the requirements for the compilation of the balance of payments

Opmerking.—Die in- en uitvoersyfers wat in hierdie opgawe verskyn is grootliks aangepas om dit in ooreenstemming te bring met die vereistes wat gestel word vir die opstel van die betalingsbalans

PERIOD: JANUARY—JUNE 1985—TYDPERK: JANUARIE—JUNIE 1985

TABLE A: TOTALS IN MILLIONS OF RAND ACCORDING TO WORLD ZONES AND SHIPS' AND AIRCRAFT STORES
TABEL A: TOTALE IN MILJOENE RAND VOLGENS WERELDSTREKE EN SKEEPS- EN Vliegtuigvoorraade

World zones—Wêreldstreke	Imports—Invoere		Exports—Uitvoere	
	1985	1984	1985	1984
Africa—Afrika	206,1	207,0	826,9	424,4
Europe—Europa	5 226,5	4 437,4	4 278,5	3 042,1
America—Amerika	1 865,9	1 971,2	1 633,1	1 138,3
Asia—Asië	1 599,9	1 844,3	2 491,4	1 419,5
Oceania—Oseanië	149,6	106,1	95,7	92,4
Other unclassified goods and balance of payments adjustments Ander ongeklassifiseerde goedere en betalingsbalansansuiwerings	2 116,1	1 590,1	7 130,5	5 324,2
Ships'/Aircraft stores—Skeeps-/vliegtuigvoorraade	—	—	23,7	16,1
Grand total—Groototal	11 124,1	10 156,1	16 479,8	11 457,0

TABLE B: TOTALS IN MILLION RAND ACCORDING TO SECTIONS OF THE CCCN
TABEL B: TOTALE IN MILJOEN RAND VOLGENS AFDELINGS VAN DIE CCCN

Sections—Afdelings	Imports—Invoere		Exports—Uitvoere	
	1985	1984	1985	1984
I. Live animals; animal products Lewende diere; dierlike produkte	58,2	45,4	144,7	117,9
II. Vegetable products Plantaardige produkte	338,2	507,6	341,5	310,4

III. Animal and vegetable fats and oils and their cleavage products; prepared edible fats; animal and vegetable waxes Dierlike en plantaardige vette en olies en splitsprodukte daarvan; voorbereide spysvette; dierlike en plantaardige wasse	165,0	90,9	31,1	14,8
IV. Prepared foodstuffs; beverages, spirits and vinegar; tobacco Voorbereide voedsel; drank, spiritus en asyn; tabak	218,5	185,5	294,0	209,2
V. Mineral products Mineraalprodukte	230,4	159,0	2 366,0	1 298,8
VI. Products of the chemical and allied industries Produkte van die chemiese en verwante nywerhede	1 061,5	786,7	423,8	354,9
VII. Artificial resins and plastic materials, cellulose esters and ethers, and articles thereof; rubber, synthetic rubber, factice, and articles thereof Kunsharse en -plastiekstowwe, cellulose-esters en -eters, en artikels daarvan; rubber, sintetiese rubber, faktis, en artikels daarvan	378,7	365,5	62,5	46,7
VIII. Raw hides and skins, leather, furskins and articles thereof; saddlery and harness; travel goods, handbags and the like; articles of gut (other than silk-worm gut) Ongelooide huide en velle, leer, pelsvelle en artikels daarvan; saal- en tuiemakersware; reisartikels, handsakke en dergelike houers; artikels van derm (uitgesonderd sywurmsnaar)	29,0	38,7	113,3	79,0
IX. Wood and articles of wood; wood charcoal; cork and articles of cork; manufactures of straw; of esparto and of other plaiting materials; basketware and wickerwork Hout en artikels van hout; houtskool; kurk en artikels van kurk; fabrikate van strooi, van esparto en van ander vlegwerkstowwe; mandjiewerk en vlegwerk	54,2	60,5	41,6	29,0
X. Paper-making material; paper and paperboard and articles thereof Stowwe vir die vervaardiging van papier; papier en papierbord en artikels daarvan	298,1	285,0	242,6	164,8
XI. Textiles and textile articles Tekstiele en tekstielartikels	432,7	494,2	465,3	349,5
XII. Footwear, headgear, umbrellas, sunshades, whips, riding-crops and parts thereof; prepared feathers and articles made therewith; artificial flowers; articles of human hair; fans Skocisel, hoofdeksels, sambrelle, sonsambrelle, swepe, ryswepe en onderdele daarvan; bereide vere en artikels daarvan gemaak; kunsblomme; artikels van mensehaar; waaiers	47,5	59,6	4,7	3,8
XIII. Articles of stone, of plaster, of cement, of asbestos, of mica and of similar materials; ceramic products; glass and glassware Artikels van klip, van gips, van cement, van asbes, van mika en van dergelike stowwe; keramiese produkte; glas en glasware	111,0	127,6	32,5	19,3
XIV. Pearls, precious and semi-precious stones, precious metals, rolled precious metals, and articles thereof; imitation jewellery; coin Pérels, edel, en halfedelstene, edelmetale, gewalste edelmetale, en artikels daarvan; nagemaakte juweliersware, munstukke	60,2	71,3	1 374,3	1 090,1
XV. Base metals and articles of base metal Onedelmetale en artikels daarvan	571,0	496,3	1 838,3	1 070,9
XVI. Machinery and mechanical appliances; electrical equipment; parts thereof Masjinerie en meganiese toestelle; elektriese toerusting; onderdele daarvan	3 168,9	2 960,6	224,9	121,0
XVII. Vehicles, aircraft, and parts thereof; vessels and certain associated transport equipment Voertuie, vliegtuie en onderdele daarvan; vaartuie en sekere verwante vervoertoerusting	1 199,4	1 230,6	115,6	85,0
XVIII. Optical, photographic, cinematographic, measuring, checking, precision, medical and surgical instruments and apparatus; clocks and watches; musical instruments, television image and sound recorders and reproducers; parts thereof				

Optiese, fotografiese, kinematografiese, meet-, kontrole-, presisie-, mediese en chirurgiese instrumente en apparaat; uurwerke en horlosies; musiekinstrumente; televisiebeeld- en klankopnemers en -weergewers, magneties; onderdele daarvan	430,9	450,9	38,7	15,1
XX. Miscellaneous manufactured articles Diverse vervaardigde artikels	79,4	87,8	16,6	7,8
XXI. Works of art, collectors' pieces, and antiques Kunswerke, versamelaarsstukke en antieke	17,8	24,2	11,0	3,7
Other unclassified goods and balance of payments adjustments Ander ongeklassifiseerde goedere en betalingsbalansaansuiwerings	2 173,5	1 628,2	8 296,8	6 065,3
Grand total—Groottotaal	11 124,1	10 156,1	16 479,8	11 457,0

CSO: 3400/997

SOUTH AFRICA

RESERVE BANK STATISTICS GIVEN

Pretoria GOVERNMENT GAZETTE in English 16 Aug 85 p 42

[Text]

NOTICE 510 OF 1985

SOUTH AFRICAN RESERVE BANK

Statement of Assets and Liabilities on the 31st day of July 1985

Liabilities	R	Assets	R
Capital.....	2 000 000,00	Gold.....	3 780 514 295,10
Reserve Fund.....	42 424 241,17	Foreign:	
Notes in circulation.....	3 603 370 589,00	Bills.....	—
Deposits:		Investments.....	84 677 634,41
Government.....	1 083 289 446,38	Other assets.....	543 360 512,58
Provincial administrations.....	58 246 700,02		
Bankers.....	1 008 032 391,84	Total gold and foreign assets.....	4 408 552 442,09
Other.....	1 080 188 800,95	Domestic:	
Other liabilities.....	3 582 653 382,19	Bills discounted.....	1 498 400 000,00
		Loans and Advances:	
		Government.....	—
		Other.....	1 028 504 693,33
		Securities:	
		Government.....	63 687 902,20
		Other.....	57 758 185,75
		Other assets.....	3 403 302 328,18
	<u>R10 460 205 551,55</u>		<u>R10 460 205 551,55</u>

CSO: 3400/997

SOUTH AFRICA

MANUFACTURING OUTLOOK REPORT RELEASED

Johannesburg SA MANUFACTURING WORLD in English Jul 85 p 10

[Text]

The economic recovery suddenly seems within reach of many manufacturers. The recent drop in the prime rate and a perceptibly more positive attitude within the economy are the first rays of sunlight peeping over the economic horizon.

There are four thrusts that will encourage the next upswing in manufacturing production and sales — increases in exports, consumer spending and investment spending as well as obsolescent/replacement spending.

Manufacturing exports up 41%

The competitive advantage of a weak rand and last year's 9% growth in the volume of world trade have proved to be the stimulants in a leap in the value of manufacturing exports which have jumped 41% in the 12 months ending June 1985.

There were sizeable increases in exports of professional and scientific equipment which leapt up by 212%; machinery, mechanical appliances and electrical machinery up 103%; non-metallic mineral products and glass up 77%; chemical products up 55%; leather up 51%; paper up 42% and textiles up 30%.

All other manufacturing sectors' export performances fell below the 30% plus a drop in the effective exchange rate of the rand over the 12 months ending June 1985.

The prospects for improving both value and volume of manufacturing exports look promising. Safto are spearheading a determined export drive to the lucrative US markets. The government has its heart set on encouraging exports. It has allocated

R170 m to encourage exports this year. The recently announced Government White Paper on industrial development takes these export incentives even further.

The export led recovery will create a firm foundation for both the next economic upswing and an upswing in manufacturing production within those sectors involved in exports.

Consumer spending to increase by year-end

Consumer spending, hard hit by the August 1984 austerity measures, is still laying low. Durable sales have dropped 30%, semi-durables are down 6% and non-durables are 3% off their peak from the middle of last year.

Prospects for increases in consumer spending, especially the credit reliant durable market, are dependent on the magnitude and timing of the drop in interest rates, increases in employment and salary increases after tax and after inflation.

With consumer related interest rates expected to drop by up to 5% by the year end/early 1986 it appears that consumer spending on durables could rebound, in part, by the fourth quarter of this year. The improving economy will stop the rot on increasing unemployment and tangible increases in employment will be in evidence during the first half of 1986.

The prospect of salary increases after tax and after inflation are remote during 1985 and will only be in evidence from mid-1986.

The prospects for consumer orientated manufacturers appear to be encouraging to build up momentum from late 1985 to mid-1986.

Sector	Rand	July 1984 – June 1985		1975 (Base Year)		June 1985	
		Output	% of Total	Production (Index)	Production Price (Index)	Capacity Utilization	Employment
Food	3 600 000	17.62	142.9	353.8	87.6	169 500	
Beverages	1 422 000	6.96	160.3	240.6	83.5	37 533	
Tobacco Products	265 800	1.30	112.2	260.2	89.5	5 267	
Textiles	811 000	3.97	105.2	247.6	87.5	106 900	
Clothing	653 700	3.20	138.3	218.6	90.3	113 100	
Footwear	233 700	1.14	123.6	320.9	91.4	25 667	
Wood Products	384 600	1.88	112.9	301.0	88.8	51 900	
Furniture	267 800	1.31	89.3	251.5	85.0	33 833	
Paper Products	900 340	4.41	138.0	257.5	92.8	35 767	
Printing/Publishing	633 100	3.10	135.8	—	89.6	47 767	
Industrial Chemicals	1 429 800	7.00	139.1	283.9	85.2	98 733	
Rubber Products	277 400	1.36	97.4	245.6	82.1	17 367	
Plastic Products	386 300	1.89	134.2	—	85.3	24 700	
Glass Products	152 700	0.75	124.9	—	92.2	—	
Non-metallic							
Mineral Products	831 500	4.07	105.7	363.9	84.9	91 667	
Iron & Steel	1 528 000	7.48	143.5	—	88.8	—	
Non-Ferrous Metal	762 000	3.73	178.6	314.7	89.0	—	
Metal Products	1 991 500	9.75	87.2	324.8	82.9	130 067	
Machinery	1 350 800	6.61	119.5	288.6	80.2	67 733	
Electric Mach	920 500	4.51	112.1	257.7	81.4	73 233	
Motor Vehicles	1 437 000	7.04	86.0	—	77.0	—	
Transport Equipment	186 600	0.96	74.5	314.6	77.6	105 600	
Total	20 426 140	100%					1 236 334

SAMW has consolidated the statistics for the year July 1984 to June 1985 into the following informative table. Information for the quarter April – June were provisional computations which may be treated as accurate with very small possible changes.

(excluding Motor-
vehicles, Non-fer-
rous Metal, Iron &
Steel and Glass
Products)

SOUTH AFRICA

ECONOMIC RECOVERY CHANCES DIMINISHED

Johannesburg SUNDAY TIMES (Business) in English 18 Aug 85 p 4

[Article in "The Rex Column" by Cees Bruggeman]

[Text]

EVENTS of the past few weeks give the impression that the start of the next economic recovery will be long delayed. That may not be so.

The fundamentals determining the recovery continue to fall into place. Interest rates are likely to resume their interrupted decline for domestic reasons, and the balance of probability governing external reasons remains in our favour.

The domestic reasons for a sustained fall in rates have been clear since early this year, and remain unaffected by South Africa's recent troubles. If anything, events have reinforced the impression that interest rates can keep on sliding rapidly because any remaining fears of a premature consumer boom have been banished.

Slow growth

Demand for credit is growing slowly in nominal terms, and is falling at a high rate in real terms. This reflects primarily extremely poor demand in the private sector, consumptive as well as investment, on which the export and public sectors do not seem to have the slightest effect.

Indeed, one is tempted to toy with the hope of the Government's again being grossly irresponsible in a year in which it has promised (scout's honour) not to do so.

Deliberate overspending and overborrowing now would help to stabilise the recessionary conditions without necessarily giving rise to an early major resurgence in imports.

Externally, the position remains a good deal more complex, but not beyond hope. A business cycle always tends to end for us in domestic recession intended to correct the imbalances that have arisen on the current account of the balance of payments.

Mature phase

The surpluses so generated are then usually allocated to repaying foreign debt and building up foreign reserves, both activities providing the financial capacity for continued expansion in the mature phase of the subsequent business cycle.

Up to mid-year, this usual script was being followed to the letter. Although the foreign reserves were still being reduced in the first quarter and the Reserve Bank actually incurred another R850 million of short-term debt, all of it to accommodate private-sector outflows, the actual relativity of what was happening was not much different from the past.

After all, when one allows the foreign debt to run up to R40-billion, it must be appreciated that cyclical attempts to repay will grow accordingly, and likewise the size of accommodation required from foreign reserves and Reserve Bank borrowing.

Outflows

By the second quarter, though, the current account surplus (together with whatever borrowings were still being undertaken by the Reserve Bank) was comfortably exceeding net capital outflows, resulting in a sizeable building up of the foreign reserves.

Events of the past month threatened to wreck the process of financial restructuring.

To repay our remaining R35-billion of foreign debt with an annual cash flow currently approaching R5.5-billion may look feasible, but it is not. It would mean remaining at present recessionary levels for at least six years.

This would be untenable because we cannot sustain the current rate of corporate bankruptcies without ruining the economy. Only the export sectors would operate at high levels, the labour-intensive manufacturing and services sectors suffering terribly.

Manageable

Compared with some developing nations, South Africa continues to carry fairly low foreign debt. The authorities have always maintained that our foreign debt has remained manageable, but our present political and economic situation would seem to have put a cap on foreign borrowing for the time being.

However, that does not imply the permanent need for repaying up to R5-billion an-

nually. It does mean that future domestic indiscretions resulting in mini-booms and current-account deficits will be more difficult to accommodate through increased dollar borrowings, which we should not necessarily see as a negative development.

Perceptions will take a good deal of time to adjust to the discontinuity that has occurred. Data from the authorities, ahead of normal publishing schedules, would therefore be more than welcome in replacing rumour with fact.

Liquidity

More pertinently, the political and economic scene will continue to evolve, and with it our theoretical foreign borrowing capacity.

The tremendous restructuring evident on the current account has not so far made much of an impact on domestic liquidity. Its effect on interest rates has nevertheless been substantial through expectations.

It may be assumed that South Africa will enter a situation where the current-account surplus will start adding decisively to domestic liquidity.

Even though money-market conditions will presumably remain managed, the eventual impact of this growing net foreign cash flow on domestic interest rates should be significant in completing the interest-rate restructuring that began so full of hope earlier this year. Its conclusion remains a matter of time and perceptions.

As to the specific components of national spending, it cannot be said that things are getting worse at a rate much different from what was expected.

Companies continue to disinvest, running down stock as well as plant, and they have every incentive to continue

doing so. The positive side of that behaviour is that it can only add to the potential of the next recovery because overshooting on stocks and plant is usually corrected in the subsequent cycle.

Pressure

The consumer remains under pressure on pay, fringe benefits, tax and debt considerations. Nothing new there either, except to say that substantial potential for replacement demand is also being accumulated.

To expect, therefore, a replay of 1978-1979 is not to be overoptimistic. Natural correctives, such as the turning of the stock cycle, when linked to the limited stimulus emanating from exports and the public sector, should lead to a turning of the cycle.

That the subsequent 12 to 18 months will yield only a sub-par economic recovery on historic comparisons should not be surprising, given the extent of our present turmoil.

Emigrants

But we tend to overdo things. In 1977-1978, SA suffered a net loss of immigrants and a virtual collapse of many private balance sheets as people sought to escape impending doom. A correction is again in train, but not anywhere near on a similar scale.

Our domestic powers of recuperation remain less impaired than in the earlier period when they required a windfall to be fully restored.

The combination of some encouraging political developments, lower interest rates, and tax cuts in the March Budget could reinforce more strongly than is perhaps now expected the cyclical correctives already in place.

SOUTH AFRICA

PALABORA OPERATING COSTS DOUBLE, PROFITS INCREASE

Johannesburg THE STAR in English 22 Aug 85 p 22

[Text]

Despite a lower milling rate, Copper production declined after-tax profit of Palabora from 61 948 tons to 58 973 tons. Mining Company increased by 11 percent to R34.8 million in the six months ended June, compared with the corresponding period last year.

Although turnover rose by 37 percent to R241.6 million (R177 million), the improvement in net profit was restricted by higher operating costs and higher taxation.

Operating costs were almost double at R108 million (R60.5 million), while tax and lease consideration took R61 million (R29 million).

The continuing decline in the rand's value was the major factor responsible for the increases in turnover and operating costs.

Earnings a share edged up from 111c to 123c and the first interim dividend increased from 15c to 20c. The company has now declared a second interim of 25c (20c).

The interim report says the decrease in milling rate was directly attributable to the shutdown of the autogenous mills for repairs at the end of the first quarter.

It was originally thought that the shutdown would last 60 days but in the event it lasted 90 days.

However, since then the mills have been working at full capacity and it is expected that this will be maintained until the arrival of replacement mill shells of an improved design.

Sales tonnages of magnetite, sulphuric acid, vermiculite and zirconia products increased 15 percent, seven percent, nine percent and 39 percent respectively compared with the first half of 1984. There were no sales of uranium.

CSO: 3400/996

SOUTH AFRICA

MANUFACTURERS' EXPORT PRODUCTION OPTIONS EXPLORED

Johannesburg BUSINESS DAY in English 20 Aug 85 p 5

[Article by Alan Ruddock]

[Text] OVERSEAS opposition to South African goods could encourage local manufacturers to consider assembling their products in neighbouring states, say business analysts.

Trade agreements between Botswana, Swaziland, Lesotho and the European Economic Community allow for manufactured goods with local added value to be exported duty-free to EEC countries.

Under the provisions of the Lome Convention, some African, Pacific and Caribbean countries also enjoy preferential tariffs with the EEC.

Other major export markets, like the US, Australia and Japan, have a prefer-

ence system for developing countries. SA Foreign Trade Organisation (Safto) GM Ann Moore says SA companies can legitimately finish products in one of the neighbouring states and then export them without "made in SA" labels.

But she adds a note of warning: "Customs officials at the point of entry are not stupid and it is very easy to get confirmation of genuine added value. The percentage of added value varies, but for EEC countries it is usually 20%-25% and for the USA 30%-35%."

Despite the adverse media coverage SA has been receiving this year, exporters have fared well. However high-profile goods, such as fruit and wine, have come under pressure, while importers of SA goods in Australia are reportedly nervous of a possible consumer reaction.

A spokesman for the Department of Trade and Industry says the Swazi option is one of many possibilities for potential exporters, but says that companies do not approach his department when considering such moves.

"Certainly we at the department would never stand in the way of anyone who wants to operate this way."

Observers say SA companies must go international if they are to survive. "We must internationalise our products by assembling abroad and by licensing overseas companies to manufacture our products. In this way we reduce the SA profile and increase the inflow of foreign exchange," says one export adviser.

Sources say a number of SA companies are already circumventing any possible reaction by assembling in neighbouring states, but the presentation of export statistics makes it difficult to gauge the extent of the practice.

SOUTH AFRICA

GROWTH OF ELECTRONICS INDUSTRY FORECAST

Johannesburg BUSINESS DAY in English 20 Aug 85 p 3

[Article by Matthew White]

[Text]

THE South African electronics market, with an annual turnover of about R3bn, is expected to grow at about 15% a year to 1990.

This is the finding of a market survey undertaken on behalf of seven major electronics groups and the Standing Committee for Electronics (SEC).

The survey, which cost R250 000, was undertaken by a Pretoria company, Business and Marketing Intelligence. The report will remain confidential until it has been considered by its sponsors — Altech, Siemex, Reunert, Federale Volksbeleggings, Grinaker, TMSA, Plessey, Philips and the SEC.

SEC chairman Carel van der Merwe gave some details of the survey to a Press conference at the Industrial Development Corporation's Sandown headquarters yesterday.

The state is the electronics sector's biggest customer with about 40% of the total market, or 50% if consumer goods are excluded.

Telecommunications accounts for about 26% of the market, consumer goods and data processing account for about 22% each, and military equipment about 10%.

Export sales of electronics totalled R32,793m in 1984.

The SEC was set up last year on the instruction of the Cabinet with its main aim to help government agencies to use the buying power of the state to encourage development of the local electronics industry. It consists entirely of public sector officials.

A key factor in encouraging develop-

ment is price preference of up to 35% given for local design and content. A sliding scale of preferences applies, with companies being awarded 25% preference for 100% local content and 10% for 100% local design.

By co-ordinating public sector buying, the SEC believes it will be able to stimulate local production at an acceptable premium. An example of how this will work is in the local production of data terminals.

The SEC published a specification, on which nine suppliers tendered. These were narrowed down to five — Andromeda, Comtec, Datakor, Siemens and Technetics — which have been asked to submit production models for evaluation by December. Two or three "preferred suppliers" will then be selected.

To prevent the creation of monopolies and the public sector's being locked into obsolescent products, specifications will be amended and new bids invited about every three years. Existing Post Office contracts will be allowed to run to term, however.

Another development strategy being followed by the IDC is to make finance available for small local companies. Its first successful project resulted from the investment of R2m in venture capital in a Cape-based manufacturer of fire-detection systems, Fire Fight, to enable it to set up an overseas sales organisation.

CSO: 3400/996

SOUTH AFRICA

TEXTILE, CLOTHING INDUSTRY THREATENED

Johannesburg BUSINESS DAY in English 22 Aug 85 p 4

[Text]

A SUDDEN upswing in business, after political unrest, could lead to mass unemployment in the textile and clothing industry.

Ernest Wilson, chairman of the Textile and Clothing Advisory Council (TCAC), said yesterday a sudden upswing would bring in a rush of imports.

Primary and secondary industries by that time would be so weakened by contraction and mass lay-offs of skilled labour that they would be unable to respond to stronger demand for at least six months.

"In the process, the clothing and textile industries will become sitting ducks for an import bonanza which could deal a mortal blow and

lose 100 000 or more jobs in the process," Wilson predicted.

He said there was need for an accelerated reform programme to get the growing number of jobless back to work.

He added that the unrest was at least as much from economic as political causes.

□ Synthetic Fibres forecast a steady decline in domestic demand. Exports, however, should provide reasonable area for marginal contribution.

□ Cotton is still freely available across an acceptable range of qualities and prices.

- Wool prices will be determined by the state of the rand.
- In the weaving sector, cotton has been on a par with 1984, which was down on 1983 sales.
- Worsteds have been badly hit by consumer rejection of high wool prices, with 25% of the workforce being laid off.
- In the knitting industry, lower imports have not prevented 800 being laid off.
- In the retail sector, chain stores are between 15% to 20% down in unit sales.

Edgars' CE Vic Hammond said yesterday he did not see an upswing in demand bringing down destructive imports because the rand was too weak.

CSO: 3400/996

SOUTH AFRICA

RECESSION CLOUDS TEXTILE INDUSTRY FUTURE

Johannesburg BUSINESS DAY in English 19 Aug 85 p 6

[Article by Cherilyn Ireton]

[Text]

TEXTILE manufacturers, saddled with a fall-off in demand for fabrics, are struggling to survive.

Textile Federation head Stanley Shlagman says the situation has led to retrenchments, shorter working days and a sharp decline in profit. Though there have been no casualties yet, companies are "just hanging on", he adds.

Prospects for the three manufacturing sectors under the federation's control look bleak. The wool and worsted fibre sector has no forward orders beyond October and the future for the cotton and synthetic fibre, and knitted fabric sectors is just as dismal.

Industry figures show knitted fabric imports plummeted by 70% in the first half of 1985, as compared with the same period the year before. Woven fabrics dropped by almost 50%.

Order intake for the knitted fabric sector is down 20% and working hours have been cut 25%.

In the wool and worsted fabric sector, deliveries up to October are likely to be only 60% of those during the same period in 1984.

"Normal orders beyond October are non-existent," said Shlagman. Already 750 workers, representing 20% of the sector's workforce, had been made redundant.

He said there was a feeling of uncertainty in the entire industry, moreso because there was no indication of an upturn.

"Companies have not disappeared because the industry consists of only a small number of manufacturers. But they are being forced to run a tighter ship and at this stage are concerned with survival rather than profit," he said.

Competition has remained fierce and prices are low. Smaller inventories are causing quicker stock turnaround.

"The retail distribution sector is tending toward shorter delivery periods — which is putting pressure on the clothing industry," said Shlagman. "What has compounded the problems for textile suppliers is that for the first time costs escalated at a rate higher than the consumer price index."

He said under normal conditions the industry would consider the slump to be cyclical.

"Our per capita consumption of textiles is low by international standards and we have not shown much growth in consumption. If we could reach half the per capita levels of other developing countries, long-term prospects for the industry would be good."

CSO: 3400/996

SOUTH AFRICA

MOTOR INDUSTRY LAYOFFS REPORTED

Johannesburg BUSINESS DAY in English 19 Aug 85 p 1

[Article by Alan Ruddock]

[Text]

MORE than 35 000 motor industry workers have been laid off this year because of a drop in production. Jobs in the sector are now down 22% from the 1982 peak.

Lay-offs have increased as all sectors of the industry struggle to regain even a 50% production capacity. Even market leader Toyota is at 50%, according to chairman Colin Adcock.

Job losses in the motor components, retail and vehicle bodybuilding industries total more than 30 000, while the assembly lines have been shedding an average of 500 workers a month this year, say industry analysts.

Figures released by the National Association of Automobile Manufacturers of SA (Naamsa) show that employment in the assembly industry peaked at 50 000 in 1982 and has fallen since then to fewer than 39 000.

Motor Industries Federation (MIF) director Jannie van Huysssteen estimates that the retail side of the industry has shed about 15% of its workforce this year.

Estimates for the motor components industry put job losses at 10 000 for the first seven months of the year.

Manufacturers stress that the prevalence of short-time can be even more disastrous than the actual lay-offs.

"In the components industry, production is running at about 40% of a two-shift capacity," says John Small, chairman of the National Association of Automotive Components and Allied Manufacturers (Naacam).

Naacam director Bill Hayward puts employment in the components industry at about 70 000. This is 10 000 down on 1984.

Hayward is pessimistic about any improvement before mid-1986 and fears that further price increases by motor manufacturers could have hinder a sales recovery.

Imported parts account for on average of 45% of the industries' costs and the rand's depreciation and high inflation have further exacerbated manufacturers' losses. Analysts say that no manufacturer is operating at a profit.

The industry's unions say job losses among artisans have been less severe but add that the amount of short-time is "very worrying."

CSO: 3400/996

SOUTH AFRICA

CO-OP GIANT, VETSAK, REGISTERS LOSSES

Johannesburg SUNDAY TIMES (Business) in English 18 Aug 85 p 1

[Article by Ciaran Ryan and Zleda Zaayman]

[Text]

VETSAK, the giant agricultural co-operative supplier, denies an anonymous report that it is in trouble — in spite of mounting losses.

According to the report sent to farmers and co-operatives, Vetsak needs an immediate cash injection of R60-million to cover operating costs.

The report says that after properties were revalued by R28-million, the company's net asset value is R3.3-million.

Solvent

Management insists that even if the property revaluations are ignored, the group is still solvent.

A spokesman says: "We don't deny that we have been in some trouble and we are still incurring losses. But we are sorting matters out and have restructured management."

In a style reminiscent of the "Unholy Egoli" saga, the anonymous report is scathing about Vetsak management.

The group incurred a loss of R6.7-million in the first quarter of 1985. Management's projected loss for the second quarter is about the same amount.

The group lost R24.7-million in 1984 and R7.1-million in 1983.

The question is whether Vetsak can continue to run up these losses.

A spokesman for the co-operative says it expects a

turnaround in 1986.

The extent of the recession in the agricultural sector is shown in tractor sales which are down to 7 000 a year from a high of 25 000 in 1981.

The report says the group's stock management is out of control. One agricultural consultant values Vetsak's unsold stock at R180-million although a spokesman for the group says stock is valued at only R100-million.

Vetsak's fortunes reflect the entire agricultural sector. Every co-operative buys from Vetsak as it is the sole distributor for a wide variety of agricultural implements. Vetsak is also sole distributor for Claas farm machinery, Fiat tractors and Belmont machinery.

Debtors

The group is owned by about 60 co-operatives. It is funded by members' contributions, accounting for 2.7%, reserve funds 2.2% and external sources 95.1% if property revaluations are ignored.

Vetsak insists that it does not have liquidity problems. Debtors increased by 75% to R44.57-million in 1984 and creditors increased by only 15.5% to R36.99-million. This resulted in a current ratio of 0.87 in 1984 (1.08).

Vetsak was established in the 1950s to make bulk purchases on behalf of farmers. It comprises five divisions: mechanisation, chemicals, general merchandising, irrigation and trucks.

Credit

A Vetsak spokesman says cash credit facilities of R120-million are available from the Land Bank at an interest rate of 21%, and about R90-million of this has been used. The cost of servicing this debt is almost R19-million a year.

Foreign debt amounts to R40-million. Vetsak was forced to make provision of about R11-million for possible forex losses at an exchange rate of 50 SA cents to the dollar in 1984.

SOUTH AFRICA

POOR RAINS, SALE, COSTS THREAT TO FERTILIZER FIRMS

Johannesburg BUSINESS DAY in English 21 Aug 85 p 3

[Article by Alan Ruddock]

[Text]

FERTILISER manufacturers are in for a torrid time if summer rains are below normal, say industry observers.

Manufacturers' problems have been exacerbated by a fall in sales and the rising cost of imported raw materials which could force them to increase prices.

A damaging price war at the beginning of the year saw many farmers buy early and take advantage of low prices and this has contributed to the sales slump. Sales in January and February were over 30% up on the same months last year. Manufacturers say farmers are also being hit by credit problems and are delaying buying for as long as possible.

They are unwilling to predict what will happen in the next few months because there are too many "unquantifiable uncertainties".

"The fertiliser industry is totally seasonal — there are so many factors involved. Only time will tell" says Triomf spokesman Wollie Wolmarans.

Farmers could cut back on fertiliser this year, according to the SA Agricultural Union.

"The biggest problem for farmers is input costs," says spokesman Gerrie Smit. "It won't be a normal year. Farmers are saving where they can. Reducing input costs is important — farmers are

concerned less with how much they reap and more with how much they put in."

Fedmis MD Andre Terre Blanche is looking for a 10% growth in sales over last year — "given normal climatic conditions".

He says that there is very little movement in the market at the moment and that if there is further drought it will be disastrous for the industry.

"We are still going to see competitive pricing because the same basic reasons exist — too much capacity and oversupply."

Smit says farmers are sceptical of price increases justified on the grounds of rising import costs.

CSO: 3400/996

SOUTH AFRICA

NEW SAFMARINE HEAD PROFILED

Johannesburg BUSINESS DAY in English 20 Aug 85 p 8

[Article by Chris Cairncross]

[Text]

GREATER diversification and a more intensive foray into foreign waters is what lies in store for SA's flagship shipping line, Safmarine, under its new master Mike Finlay.

Appointed MD last month following the death of executive chairman Marmion Marsh, Finlay reckons that Safmarine has tremendous potential for growth and for broadening its earnings base. And, he maintains, the group is well-placed financially and structurally to take on any opportunities that emerge in industries which are synergistic to its existing operations.

Attempts to chart Safmarine's future development path must, however, be done from the perspective of recognising that, as an integral part of Safren, the company is already married to operations which would have been naturals for its further diversification — if it were still out on its own.

Primed

Nevertheless, there are a number of other avenues Safmarine is already exploring, and which Finlay expects will contribute increasingly to the group's earnings. Container leasing is one.

The company has also become primed to move swiftly into the sophisticated information technology industry. Through a subsidiary company, Safmarine

Computer Services, it has established a bureau-type operation.

This currently provides a back-up service to companies that have either run out of capacity on their own equipment or have had a breakdown. "It was a good way of using up the spare capacity on our big mainframe," said Finlay, indicating that from these relatively small beginnings into information processing big things are expected to occur.

Safmarine's other major area of diversification is its involvement in the airline business. The company has substantial holdings in Air Cape, Namib Air and Luxavia. Finlay indicated that there is potential to substantially upgrade these operations, but only if the airline industry in SA becomes deregulated.

"There is a place for a second airline operator in this country. There does appear to be a strong possibility now that an official decision on this will be forthcoming in the next 12 months," Finlay hoped. If not, Safmarine will be reassessing its involvement and investments in this area.

Safmarine's principal activity is, of course, shipping and it is apparent that Finlay will be devoting most of his energies as chief executive to exploring further opportunities for expanding the line's already substantial trading activities internationally.

Container trade will continue to be the backbone of Safmarine's business, though growth pros-

pects now are considered to be meagre. Finlay said he is relying on Safmarine to generate most growth in the bulk trades. "This is where the potential is. But we must be wary of not going in too fast. Timing is critical."

Finlay has all the experience needed to take over control of Safmarine. The shipping industry has been a consuming passion of his throughout his professional life. And he has spent time with every facet of the business.

"I was bitten by the bug in 1952 when I signed on with Safmarine as a cadet after finishing a B.Com at UCT." From there on he moved extensively round the shipping world. Finlay worked briefly for a shipping agency in Cape Town, spent almost two years with a Welsh shipbroker in Cardiff, before making Safmarine his home port.

He joined the line when its fleet numbered only three vessels. Today it owns 30 ships, with a replacement value of about R800m, and has on charter some 20 to 30 more.

Relaxed

Finlay's transition into the top slot at Safmarine was always on the cards. Ever since the creation of Safren last year, Marion Marsh had been devoting less of his time to Safmarine. Finlay has been de facto chief operating officer for at least six months.

Finlay confesses to being completely at ease now that he is officially solely in charge of Safmarine's bridge. "I worked closely with Marsh for 25 years, so I am fully aware of what is involved. But I am no Marsh clone," Finlay quickly states.

Marsh had a reputation of being reluctant to delegate responsibility. It will be a somewhat different management style under Finlay. "I am more relaxed than Marsh was. I will probably talk more with my managers," he says. "On the other hand, I am fully aware of the dangers of management by committee," Finlay concludes.

CSO: 3400/996

SOUTH AFRICA

CONSTRUCTION INDUSTRY PROBLEMS GROW

Johannesburg THE CITIZEN in English 31 Aug 85 p 19

[Article by Madden Cole]

[Text]

MORE than R3 000-million worth of work may be lost by South Africa's construction and civil engineering contracting industry as a result of anti-inflationary cutbacks and postponements in Government spending on infrastructure and development projects.

This is suggested by the preliminary findings of a study in preparation for a new publication officially launched last week which will cater for the fixed capital investment sector of South Africa's gross national product.

The publication, "The

Capital Projects Bulletin", co-ordinated and distributed by the Titaco Consolidated Investment Group, will make information and assessments available to the industry.

The first Bulletin covers the period 1985 to 1990 and airs a number of topical key issues. It emphasises that State expenditure should not be confused with State fixed capital expenditure.

The latter relates to infrastructural development which must go on. Present cutbacks such as roads, deferment of Escom and the like are short-sighted in view of their long-term effects,

the Bulletin says.

Total fixed investment spending amounts to less than 25 percent of the GNP and alongside other spending has a much smaller effect on curbing inflation. It is the latter spending that the State must address.

Referring to Pretoria's pledge to shift the centre of gravity in contribution to gross national product in favour of the private sector, the Bulletin points out that after the cyclical downswing and subsequent recession there is a fatter public sector.

This comes about as a result of a flow of private sector contractor em-

ployees into civil service jobs as the public service reserves work for itself in the belief that it saves costs and the security of State sector jobs.

In practice real costs rise when allowance is made for the greater proportion of hidden costs in contracts handled by the public sector teams, swollen by the uptake of skills drift from the private sector.

And those who shifted to the civil service get artificially high remuneration packages when private sector contractors are obliged to woo them back as work available mushrooms near the top of the next business upswing.

Giants in contracting in the private sector tend to grow like the public sector at the expense of the smaller participants, even when these are more cost-effective, the Bulletin says.

It is thus in the national interest that the new Minister of Finance and his Cabinet colleagues confirm their commitment to affirmative action in favour of the private sector, and specifically of a larger role for independent, medium-size and smaller private sector businesses.

SOUTH AFRICA

MOTOR INDUSTRY TROUBLES NOTED

Johannesburg THE CITIZEN in English 26 Aug 85 p 25

[Text]

AS a result of the marked drop in the value of the rand, many of the smaller motor vehicle manufacturers in South Africa were coming under severe pressure which could force them to withdraw from the country, says Mr Peter Whitfield, chairman of Nissan SA.

Speaking at the launch of Nissan's new Skyline SGLi and GTXi models at Mmabatho Sun, Mr Whitfield said that the costs of tooling up for a new model had risen to about R50-million.

"To have to spend such a sum of money on a model which might not sell well is too much of a risk and so not an economic proposition."

The devaluation of the rand too had increased the losses already incurred by the motor industry which now had to pay an additional 25-30 percent for imported components.

"We can expect losses to rise to between R500 000 and R1-million as the industry will not be able to pass on these increased costs immediately. With the present value of the rand, retail prices of vehicles could

thus increase by 10 percent."

He said that although it was difficult to predict the future of the motor industry, a programme of general rationalisation was inevitable and that the number of models would be reduced.

Nissan however was determined to remain competitive in the present difficult circumstances and had launched an aggressive marketing strategy.

"Instead of introducing a policy of discounting our vehicles, which would destroy resale values, we prefer to provide better service for our customers."

In the coming months Nissan planned to employ 100 additional highly trained salesmen at the dealer outlets where special customer care programmes would be available.

"In short, we intend doing what we can to see the company through the present difficult times. Nissan after all is a wholly South African owned company and its fortunes are closely linked with the country's economic future. We have nowhere else to go." — MC

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SOUTH AFRICA

PLANNING FOR ALTERNATIVE ENERGY SOURCES URGED

Johannesburg THE CITIZEN in English 26 Aug 85 p 25

[Article by Madden Cole]

[Text]

THE days of coal were limited and if South Africa was to avoid an energy crisis early next century it must plan for alternative energy sources to be available in 25 years time, Professor RK Dutkiewicz said at the University of the Witwatersrand Senate Special Lectures.

"In terms of our present estimates of coal reserves of 58 000 M tons, economically recoverable, coal supply will no longer satisfy coal demand from around the year 2010.

"We have breathing space but we must use it wisely. All possible methods of using coal more wisely must be explored."

Prof Dutkiewicz said that the country's self-satisfaction with its abundance and cheapness of

coal was a cause for alarm.

"For such a versatile commodity we know very little about it. Research on coal in South Africa is almost non-existent. In terms of funding and in comparison with 14 countries of the OECD, South African research expenditure per ton of coal used is second last, with only Italy spending less."

Referring to exports, Prof Dutkiewicz said that the international market was not unlimited and was shrinking because of the present low price of oil.

"A simple calculation will show that coal exports of some 120 M tons a year are perfectly feasible without serious repercussions to our national reserves.

"But some time in the future coal exports will have to start declining and eventually disappear, but that point is somewhere about the year 2010."

Pointing out that in economic terms South Africa entered the nuclear age too early, Prof Dutkiewicz said that the cost of electricity from Koeberg was higher than

that from a coal-fired power station in the Transvaal.

"The decision to go ahead with nuclear power was taken on the basis of break-even economics. A change in such high level technology should never have been embarked on unless the economics were overwhelmingly favourable."

Nuclear power would play an increasingly important role in South Africa in the future, but the decision on the next nuclear power station should be based on sound economic ground alone, he said.

CSO: 3400/1030

SOUTH AFRICA

SENTRACHEM HAS TROUBLES WITH AFPRENE PROJECT

Johannesburg THE CITIZEN in English 29 Aug 85 p 21

[Article by Daan de Kock]

[Text]

THE problems Sentrachem has with its Afprene project in Newcastle in Natal — a strategic plant that manufacturers synthetic rubber clearly showed up in its results for the year ended June.

The slump in the fertilizer market and severe competition further aggravated the situation, with the result that the company ended up with a loss of 27,3c a share against a profit of 21,4c a share.

As forecast no dividend was paid for the past year (18c).

Dave Marlow, managing director of Sentrachem, told journalists at a very frank Press conference yesterday that the loss of the Afprene project amounted to about R50-million for the year.

On top of this, Fedmis, the fertilizer producer, also posted a loss in the

last six months of the year, but for obvious reasons he did not want to disclose it.

Mr Marlow said various factors contributed to the Afprene loss, the most important of which were:

- Overall demand for rubber was less than expected.
- A swing to a new type of motor car tyre using less rubber.
- High interest charges.
- Drop in the world price of rubber.

As in the past, there was again a heated debate on whether Sentrachem should not cut its losses and close the plant down, which cost more than R400-million to build.

Mr Marlow and his team again pointed out that this was not a decision to be taken overnight, even if the chances were small that the plant would show a profit over the next five years.

Putting the strategic value of the plant aside — shareholders after all want to maximise their earnings — there are various other factors such as the interest burden, cash flows, tax allowances, etc that should be taken into account.

To close the plant in the future if all variables move against its existence must be an option, but since it is doing quite well on the export market at the moment, I agree with Sentrachem that it is worthwhile to give it a chance.

Looking at the future, Mr Marlow said that taking into account the present uncertainties, it would serve no purpose to quote any figures. He hoped however that the results would be better.

Group turnover for the year amounted to R930,6-million — an improvement of 10 percent on the previous year's R842,4-

million. Included in this figure is the share of associates that amounted to R119,1-million (R118,9-million).

Operating income, mainly because of the Afprene and Fedmis losses, dropped by as much as 45 percent from R75,2-million to R41,6-million.

Net financing costs were 42 percent up at R81,4-million (R57,5-million), the big culprits here being interest charges — R78,3-million (R51-million), and financial lease charges of R26-million (R7,3-million).

These were to a certain extent counterbalanced by interest received on deposits, which rose from R22,7-million to R34,9-million.

Pre-tax income showed a turnaround of R58,6-million from a profit of R22-million in 1984 to a loss of R36,6-million in 1985.

Mr Marlow said the total effect of foreign exchange losses for the year amounted to R36-million — slightly down on the forecast figure of R40-million.

The net loss attributable to ordinary shareholders amounted to R24,4-million against a net profit of R19,1-million.

SOUTH AFRICA

BRIEFS

NUCLEAR EXPERTS DENIED BELGIUM VISAS--Brussels, 21 Aug (AFP)--Belgium has refused visas to 12 South African experts planning to attend an international conference here on civilian uses of nuclear technology, the Belgian Foreign Ministry said today. No reasons were given for the decision. Nuclear cooperation is one of the fields in which the 10 countries of the European Economic Community (EEC) may impose sanctions against South Africa if it does not take steps to abolish apartheid. The EEC plans to send a ministerial delegation to South Africa during the next few weeks. [Text] [Paris AFP in English 0941 GMT 21 Aug 85 AU]

SWEDISH BAN ON IMPORTS--Sweden is to stop importing South African food products and Krugerrands. According to a spokesman for the Swedish Government, this step was decided on in response to the United Nations' call for sanctions against South Africa. The spokesman said his government hoped that other countries would follow the example of Sweden. He pointed out, however, that the proposed ban on the importation of food products would first have to be approved by parliament under the national food policy before it became effective. [Text] [Johannesburg Domestic Service in Afrikaans 0830 GMT 3 Sep 85 MB]

POLICE PROBE GENCOR--Johannesburg.--Commercial Branch detectives are investigating alleged corruption in the mining division of Gencor which may run into millions of rand involving senior staff members and outside companies. Police confirmed that a major investigation started about three weeks ago. Two senior staff members in the division have resigned their posts this week, Gencor disclosed in a statement to the Press on Wednesday. It was confirmed yesterday that external auditors are now busy doing a complete audit of the records involved. In the statement the company said that irregularities involved the awarding of contracts for capital projects in its mining division. Gencor stated that the investigation could take some considerable time because of its complexity. Some employers said the situation at the mining division offices was nearly unbearable because everyone is suspecting everyone else. "It's more or less the same kind of investigation as is happening at the SABC," a staff member said. The names of the two persons who resigned cannot be disclosed because of the police investigations. [Text] [By Rika van Graan] [Johannesburg THE CITIZEN in English 30 Aug 85 p 2]

CSO: 3400/1030

TANZANIA

BRIEFS

TRANSPORTATION TALKS WITH RWANDA--Dar es Salaam, 23 Aug (SHIHATA/PANA): Tanzania and Rwanda started talks in the Tanzanian capital to review bilateral matters on transport between the two countries. According to the Tanzanian principal secretary in the Ministry of Communication and Works, Odira Ongara, the one day talks will review the transportation of Rwandese goods from Dar es Salaam to Kigali and the construction of a road to link the two countries. A five-man Rwandese delegation to the talks is led by the principal secretary general in the Ministry of Public Works and Energy, Emmanuel Gapyisi while the Tanzanian nine-man delegation is led by Ongara. Tanzania and Rwanda cooperate in transport communication, education, agriculture and livestock, trade and industries and immigration. [Text] [Dakar PANA in English 1440 GMT 28 Aug 85 EA]

PARTY OFFICIALS DISMISSED--The National Executive Committee of the Chama Cha Mapinduzi [CCM] has dismissed two CCM leaders from leadership of the party. A statement released by the party headquarters in Dar es Salaam, said those dismissed are the chairman of the (Msaranga) party branch in Moshi urban district, NDUGU (Panion Macha), and the chairman of the Kikondo party branch, in Tabora rural district, Ndugu (Erasto Kaungwe). Ndugu (Macha) was dismissed for misusing his authority with the intention of causing confusion, and failing to protect and adhere to government directives by extending the boundary of Moshi town. Ndugu (Erasto Kaungwe) was dismissed for being dishonest and converting village property for his own use. The decision was made by the CCM Central Committee. [Text] [Dar es Salaam Domestic Service in Swahili 1700 GMT 23 Aug 85 EA]

NEW NEWS AGENCY POLICIES--Dar es Salaam--The board of directors of the TANZANIA NEWS AGENCY, SHIHATA, has approved several proposals aimed at increasing the agency's income and production at its meeting [words indistinct]. According to information released by the agency, the proposals include increased prices for current SHIHATA subscribers and the introduction of accreditation tax payable by individuals and the various agencies using press accreditation cards. At the same meeting, the SHIHATA board of directors also discussed the proposed new agency structure aimed at increasing efficiency in production and services. [Text] [Dar es Salaam Domestic Service in Swahili 1700 GMT 2 Sep 85 LD]

LEGAL COOPERATION WITH BULGARIA--Dar es Salaam--Tanzania and Bulgaria have agreed to strengthen relations and cooperation in legal matters. An agreement on this was signed in Dar es Salaam today between the Bulgarian ambassador to Tanzania, Mr Serafimov, and the acting attorney-general, who is also the principal secretary in the Tanzanian Ministry of Justice, Ndugu Daniel Meela. [Excerpt] [Dar es Salaam Domestic Service in Swahili 1700 GMT 2 Sep 85 LD]

TOGO

DELEGATION PARTICIPATES IN MOSCOW YOUTH FESTIVAL

Lome LA NOUVELLE MARCHE in French 7 Aug 85 p 5

[Article by special correspondent Seyena Biava Seshie (Togo Press Agency): "12th Moscow Youth Festival: Togo Had One of the Four Best Cultural Groups"]

[Text] Was it really necessary to tell the 100,000 or so spectators gathered at the Lenin Central Stadium in Moscow that the festival was over and they would have to part? When the actors on the lawn, in a flight of colors, lights and decibels, were marking with their last act the end of the closing ceremony of the 12th Youth and Students Festival, and when the Philharmonic Orchestra returned to the dressing rooms, leaving loudspeakers behind to broadcast the voice of a melancholic solo singer, the audience froze. The show was over for good on that evening of 3 August 1985, and with it so was the festival. People in the tribunes were reluctant to go down, to realize that it was over, as the Soviets had neglected no detail to give to this ceremony enough feeling to put the young festival guests delegated by 3,000 organizations in a state of nostalgia dominated by fascination and suspense. For this, the Soviet youth made an amazing contribution: trapeze artists, majorettes, dancers, gymnastic artists, and of course these 8,000 young people facing the official tribunes who, in an extraordinary blending of colors, were translating into images the pathetic moments of the show. But since a dream is always interrupted by a different reality, the audience that night was left unsatisfied. I can still see the anguished face of this young Salvadoran leader, standing among his group, still holding the megaphone that he had been using a few hours before to incite his comrades to "revolucion or la muerte" (revolution or death). Or again this half dozen of Lebanese flags, that could be recognized from far away by their symbolic cedar, vigorously brandished as a sign of farewell as the audience was deserting the tribunes and while the last exhalations of the friendship ("drujba," as they call it over there, in Lenin's country) established between the youth of all five continents were rising from the crater of the sturdy Moscow stadium. Still, the stadium emptied itself of the festival participants who filled the surrounding avenues with a long march punctuated with songs, slogans and folksongs that vanished into the cool summer night.

Thus, the Moscow Festival, the 12th in post-World-War-II history, came to a close. But during its eight days (from 27 July to 3 August), this world festival assumed a dimension commensurate with the size and infrastructures of this huge city. Imagine "Woodstock" or "Soul to Soul" in a multitude of

parks, gardens or showplaces, in a capital with a diameter of over 100 km. Add to this 15 or so conference centers, with conferences on themes ranging from nature protection to non-alignment, and including youth and sports; plus an overabundance of anti-imperialistic and anti-nuclear demonstrations where political problems that have become headaches at international conferences unexpectedly resurfaced. Culture was not to be outdone in this forum where artists from many horizons were translating through dance or pottery the cultural language of their respective nations. For indeed, if there is one means of bringing together all the nations of the world, without any consideration of politics or ideology, it is in a dialogue of cultures that it might be found, like a flower sticking out of a gun. It is therefore in that climate of "no war but peace" that the Togolese delegation arrived on 25 July: it consisted of some 50 young people from the JRPT [Youth of the Rally of the Togolese People] and the MONESTO [National Movement of Togolese Students and Apprentices] and was headed by Dr Tchalim Tcha-Kozah, member of the Central Committee and general delegate of the JRPT.

By accepting the invitation to go to Moscow (as it had accepted similar invitations to go to Havana in 1978 and to the Panafrican festival of Tripoli in 1983), Togo once again demonstrated its conviction that a better future cannot be expected unless the young are participating in a process of actual development. And Togolese artists at this festival gave a measure of the maturity and continental distinction of their country by giving a performance that placed them among the four best groups present in Moscow.

Preventing a Long War

After World War II, the atrocities which world nations witnessed soon dispelled all illusions. And this awareness of the horrors of war gave rise to a determination to achieve peace, which materialized in the creation of the United Nations Organization. It took 31 years and two murderous wars to achieve this. The objective was to institute a form of cooperation among independent states, based on the respect of sovereignties and on the search for peaceful solutions to conflicts, no matter how trifling the latter might look. And this determination was all the stronger as it appeared indispensable that the generations that would not have known the torments of war, and on whom the future of this world depended, should become aware of the happiness peace can bring. Thus, in 1945 in London, the first festival gathered the youth of 70 countries who had come to swear allegiance to the cause of peace. This was the start of a tradition based on the fact that the young constitute the social group with which we now have to reckon if we are not to fall again into the murderous errors of the past. Indeed, that year the memories of Hiroshima, Auschwitz and Treblinka were still fresh. Today, 40 years later, we must face the threat of a nuclear war, and pockets of racial conflicts and hegemony. And to do this, there is no better mortgage on the future [as published] than these young who will become tomorrow's leaders. This is the reason for the World Youth and Students Festival whose theme this year is a call for peace, for friendship and against imperialism. The event is doubly significant considering that 1985 was declared "The International Youth Year" and that the 40th anniversary of the end of World War II is being celebrated throughout the world. Briefly, the Moscow Festival is designed to give the young an opportunity to form intercontinental relations around debates and issues relating to present world

problems, and to teach them to go beyond ideological quarrels, to prefer peace to war, so that when later on they hold the reins of government, they will ensure that concord among nations will prevail.

Group from Lome in the Spotlight

These objectives, reminiscent of the ideals of the Rally of the Togolese People (RPT) and in the name of which the chief of state, Gen Gassingbe Eyadema, often points out that "no sacrifice is too great when it is for the young," these objectives therefore were represented in all of the representations given by the Togolese delegation. For it, Moscow 85 was an opportunity to present the views (which have a large audience) of its Party, dominated by ideals of non-alignment. Thus, six times, in front of an audience that fully supported their cause, the 35 entertainers of the Togolese Revolution (ARETO) disseminated the message of a realistic Togolese revolution which, in the words of one of their songs, is "neither red, nor black, nor blue, but which is called peace, union, solidarity"; and they did so in Russian, Spanish, French and English, through a varied repertoire ranging from rumba and reggae to Togolese folklore and even kazatchok (a Russian dance). And according to the Togolese artists in Moscow, to be genuine and profitable peace must "free the world from violence and atrocity," so that the Namibians must recover true independence and the South Africans stamp out apartheid through an engagement of all nations behind the African National Congress (ANC) and the South-West African People Organization (SWAPO).

The message had the impact intended, and this explains why the Togolese delegation, which originally was scheduled for a single show, became the object of so much solicitude: on Monday 29 July, Togo was billed at the "Drujba Center" (2,500 seats) and performed in front of a full house. The audience that was held spellbound by the wild rhythm of our entertainers included the Togolese ambassador to Moscow, Mr Dikeni Kerim surrounded at each representation by a Togolese colony consisting mostly of students. The audience that was left unsatisfied that evening came back for a representation in the open air the next day, on Avenue Leninski, one of the largest arteries of the city. There again, more was given than had been promised, since the representation had hardly ended when a message from the Central Committee of the Preparatory Commission of the Festival urgently invited the group to give a representation on another podium, also in the open air, not far from the previous one. If it is true that folk music is music that does not make a distinction between actors and spectators, then this second representation of the day made it possible to measure the cultural message delivered by our artists. Frenzied excitement started on the podium and soon spread among the audience and passers-by who formed dancing circles that were as much at ease in a rumba as in the kazatchok.

On Wednesday 31 July, the longest representation given by our artists took place at the International Center of African Countries. During nearly one hour, the ARETO more than fulfilled the audience's expectations. The Togolese delegation was thus in the spotlight among the cultural groups of the festival, and they were again asked to give another representation.

And on the last day of the festival, in the afternoon of 3 August, a few hours before the ceremonies at the Lenin Stadium, it was again Togo that was chosen to close the series of cultural representations of the festival. This is significant in more than one respect, considering that about 150 countries from all 5 continents were represented at the festival. And once again, the group was at its best. Already the day before, the delegation had given a representation at the Togolese embassy, for diplomats from friendly African countries. The show suddenly turned into a family reunion, and the value of the Togolese contribution is best summarized in this exclamation of an African diplomat: "Togo is a credit to Africa as a whole." This shows once again the validity of political entertainment, the political weapon of the masses whose ideals are dictated by the Party, the RPT. As it discovered exotism, the public of Moscow experienced the strength of this means of communication and combat, revealed to them during the festival by the ARETO.

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ZAMBIA

BRIEFS

OBOTE GRANTED ASYLUM--The government has not yet informed the United Nations High Commissioner for Refugees [UNHCR] about the arrival of 150 fugitive Ugandans into Zambia recently. The UNHCR representative to Zambia, Mr (Hatullahah Said) explained that the government has not yet formally informed his office about the refugees. His office is making efforts to communicate with the Ministry of Home Affairs officials. About 150 Ugandan refugees, who fled into Kenya following last month's coup in Uganda, arrived in the country last week, and home affairs minister, Frederick Chomba, said yesterday that deposed Ugandan president, Dr Milton Obote, had been granted political asylum in Zambia. [Text] [Lusaka Domestic Service in English 1800 GMT 19 Aug 85 ME]

VISIT TO ROMANIA--Kinshasa, 21 Aug (AZAP)--Citizen Kasongo Mukundji, chairman of the Legislative Council, will go on a friendly visit to the Socialist Republic of Romania from 30 August to 11 September at the invitation of the National Assembly of this country. He will be accompanied by 4 people's commissioners and 3 civil servants. [Text] [Kinshasa AZAP in French 1100 GMT 21 Aug 85 AB]

CSO: 3400/1010

ZIMBABWE

FUTURE OF NKOMO, ZAPU EXAMINED

Johannesburg THE STAR in English 9 Aug 85 p 12

[Article by Robin Drew]

[Text] So far Mr Robert Mugabe's Zimbabwe Government has stopped short of banning ZAPU, the party led by Mr Joshua Nkomo.

But the unrelenting pressure that is being kept up on him and leading members of the party has led many people to believe that time really is running out for its continuation.

There have been threats in the past, sometimes accompanied by action against individual members such as the sacking of Mr Nkomo from the cabinet when arms caches were found on ZAPU property in 1982.

Last year after a ZANU (PF) senator had been shot dead in Beit Bridge, the remaining ZAPU members in the cabinet were sacked.

But the party's link with the Government remained through the presence of deputy ministers and through the post of Governor of Matabeleland North by a ZAPU man.

The situation following the general election has changed, however, and Mr Mugabe has made it crystal clear there is no room in his administration for any followers of Mr Nkomo.

Stern warnings, the appointment of a hardline anti-ZAPU Home Affairs Minister, and the incidents in the past two weeks in which police raided Mr Nkomo's homes in Harare and Bulawayo and arrested members of his staff, signal that Mr Mugabe means business.

But if ZAPU is outlawed will it mean an end to the actions of dissidents who have murdered 45 people this year and been involved in nearly 100 contacts with the security forces? Will it mean that the people of Matabeleland (from where Mr Nkomo draws his support) will have a change of heart and become loyal followers of Mr Mugabe's party?

A member of the Law Department of the University of Zimbabwe, Mr Welshman Ncube, is one of those who believes this is wishful thinking.

In Bulawayo, stronghold of Mr Nkomo, the issue is being publicly debated in the columns of THE CHRONICLE newspaper, a point which has drawn congratulations from Mr Ncube and others.

Answering a suggestion that Mr Nkomo should disband ZAPU, Mr Ncube submitted that ZAPU was not the cause of the "Matabele Question" but merely the political manifestation of the national feeling in Matabeleland. The real issue, he maintained, was one of ethnic difference. ZAPU, while it had started out as a national party, had become a party representing the Ndebele people.

His call was for the Government to accept the reality that the Ndebele regarded themselves as a "separate" people unwilling to be swallowed up by the Shona-speaking majority.

This kind of argument is likely to draw howls of protest, but Mr Ncube said that if Zimbabweans were honest and frank they must accept that reality.

"The Ndebeles, as a self-respecting people, need to maintain their culture and language. They feel they should be politically significant. In other words they must be recognised and accepted as a people," he said.

The general election in which ZAPU triumphed in all 15 Matabeleland seats and won none elsewhere was testimony to the polarisation which has taken place--and the age-old African problem of tribalism.

But, Mr Ncube believes, this can be overcome. Aligning himself with Premier Mugabe's one-party state ideal, Mr Ncube says the solution lies in the creation of a single party that would unite all Zimbabwe's peoples. "The one party that should be created to unite all the people of Zimbabwe must be based on the principle of regional representation so that the people of Matabeleland, for example, should have the right to elect a fixed number of representatives to the party's central committee," is how he envisages the solution.

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ZIMBABWE

DDF DETAILS RURAL PROJECTS IN LAST FIVE YEARS

Harare THE HERALD in English 9 Aug 85 p 1

[Article by Oliver Gawe]

[Text] The District Development Fund has spent more than \$70 million on reconstruction and development projects in the rural areas during the past five years, the Minister of Local Government, Rural and Urban Development, Cde Enos Chikowore, has said.

He told THE HERALD yesterday, that the DDF had a variety of work including: Reconstruction of war-damaged roads, bridges, boreholes, dams, cattle sale pens and dip tanks;

--Initiating new development works like roads, bridges, boreholes and dams to stimulate economic growth and maintaining existing infrastructure.

--Building new offices for district councils, implementing the public works programme, transporting drought relief food, and tilling land for communal farmers.

The fund also trains its manpower to fulfill the above tasks.

During the five years ending June 30 this year the DDF carried out reconstruction and development work worth \$70,988,000 in the country's eight provinces.

Out of this total \$10,457 million was spent in Manicaland; \$9.23 million in Matabeleland North; \$8,549 million in Matabeleland South; \$1,1976 million in Midlands; \$6,619 million in Mashonaland Central; \$6,912 million in Mashonaland East; \$7,520 in Mashonaland West and \$12,525 million in Masvingo.

Under the programmes, 1,726 cattle sale pens and dip tanks were built, 7,752 boreholes sunk, 440 dams constructed, 24,366 km of roads and 637 bridges and causeways built.

"As part of its course training with production was practised to the full with DDF trainees building four district council offices and five training centres."

Beitbridge District Council offices were built in 1982; Chitepo District Council offices in 1983 at Mutasa; Goromonzi District Council offices at Bhora in 1984 and Chiweshe District Council offices at Chombira in 1984.

Training centres built by the trainees are Manyame, Masvingo, Mutare, Gweru and Gwanda.

"The DDF trainees built these at a very high standard at a much lower cost than private contractors would have charged," said Cde Chikowore.

In October 1984 DDF was ordered to plough land for the communal farmers who had lost cattle and were getting drought relief assistance. The Government bought 173 disc ploughs and assigned DDF tractors for the exercise.

"In early November DDF was in the ploughing game and by the end of January this year 3,894 ha had been ploughed--a performance which helped lay a foundation for the bumper crop now being marketed."

In the public works programme launched by the ministry with provincial governors in June last year, different projects like gully reclamation, road and dam construction, afforestation and brick making were undertaken.

By the end of May this year 24,617 people had participated in projects throughout the country with DDF providing expertise, transport, machinery and supervision. By that time 25 projects had been completed.

The organisation faced major problems during the five years.

During the next three years the DDF wants a road development and maintenance programme and has many bids for new roads from the 55 districts.

CSO: 3400/953

ZIMBABWE

ASBESTOS DEAL SIGNED WITH INDIA

Harare THE HERALD in English 3 Aug 85 p 5

[Text] Zimbabwe will export 8,130 tonnes of asbestos valued at about US\$3.3 million to India under a deal concluded this week between the Minerals Marketing Corporation of Zimbabwe and the Minerals and Metals Trading Corporation of India.

India will have the option of buying an additional 5,000 tonnes under the one-year deal ending in June next year.

MMCZ general manager Mr Mark Rule told THE HERALD yesterday that part of the transaction would be paid in cash and the other part under countertrade arrangements for Indian goods. He would not say what proportion was to be paid in cash.

Last year the corporation signed a deal to supply Delhi with 9,000 tonnes of asbestos valued at about US\$3.9 million. The Indians also had an option to buy an additional 6,000 tonnes valued at US\$2.6 million.

While in India Mr Rule discussed further the sale of emeralds to the MMTC. Last month two gem experts from the Indian corporation were in Harare on a mission that could lead to the MMTC buying Zimbabwe's entire output of exportable emeralds.

The deal with India comes in the wake of the announcement this week of the MMCZ's preliminary results which showed the corporation sold minerals worth \$540 million in its second year of operation that ended on June 30.

The chairman of the corporation, Cde Christopher Ushewokunze, told newsmen there was strong evidence in the US, Japan and the United Kingdom that the use of asbestos in a properly controlled environment caused no significant danger to its users or the public.

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ZIMBABWE

BRIEFS

POLICE PURSUING KILLERS--The minister of state for defense, Comrade Ernest Kadungure, says the police and army are in pursuit of the gang of bandits that killed three ZANU-PF officials in the Silobela communal lands last week. He said this at the funeral of one of the three victims, Comrade July Munaga Moyo, at his home in the Sogwala area on Saturday. Comrade Moyo was taken away from his home and killed in Silobela. The other victims were Comrade Luke Mpanduki and Simon Djasi. They were all accused of being sellouts. Comrade Kadungure said once the murderers are caught, they will be hanged.

[Text] [Harare Domestic Service in English 0500 GMT 26 Aug 85 ME]

RADIO TRANSMITTER BEING BUILT--Harare, 29 Aug (ZIANA/PANA)--The Zimbabwe Broadcasting Corporation, under its transmitter development programme, is building a radio transmitter in Beitbridge which will beam programmes in Venda to counter Radio Truth, which broadcasts to Matebeleland south from South Africa, the Zimbabwean Assembly heard today. In his contribution to the debate on the presidential speech, the minister of information, Mr Nathan Shamuyarira, said that when completed, the Beitbridge transmitter would broadcast in Venda to the area to counter the pernicious propaganda emanating from South Africa. He also said that when the transmitter development programme was complete, no areas would have problems tuning in to ZBC programmes, and television, too, would be improved by the new transmitters. [Text]
[Dakar PANA in English 1230 GMT 29 Aug 85 EA]

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